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MONDAY SPORTS
CELTICS ELIMINATED
Page 14

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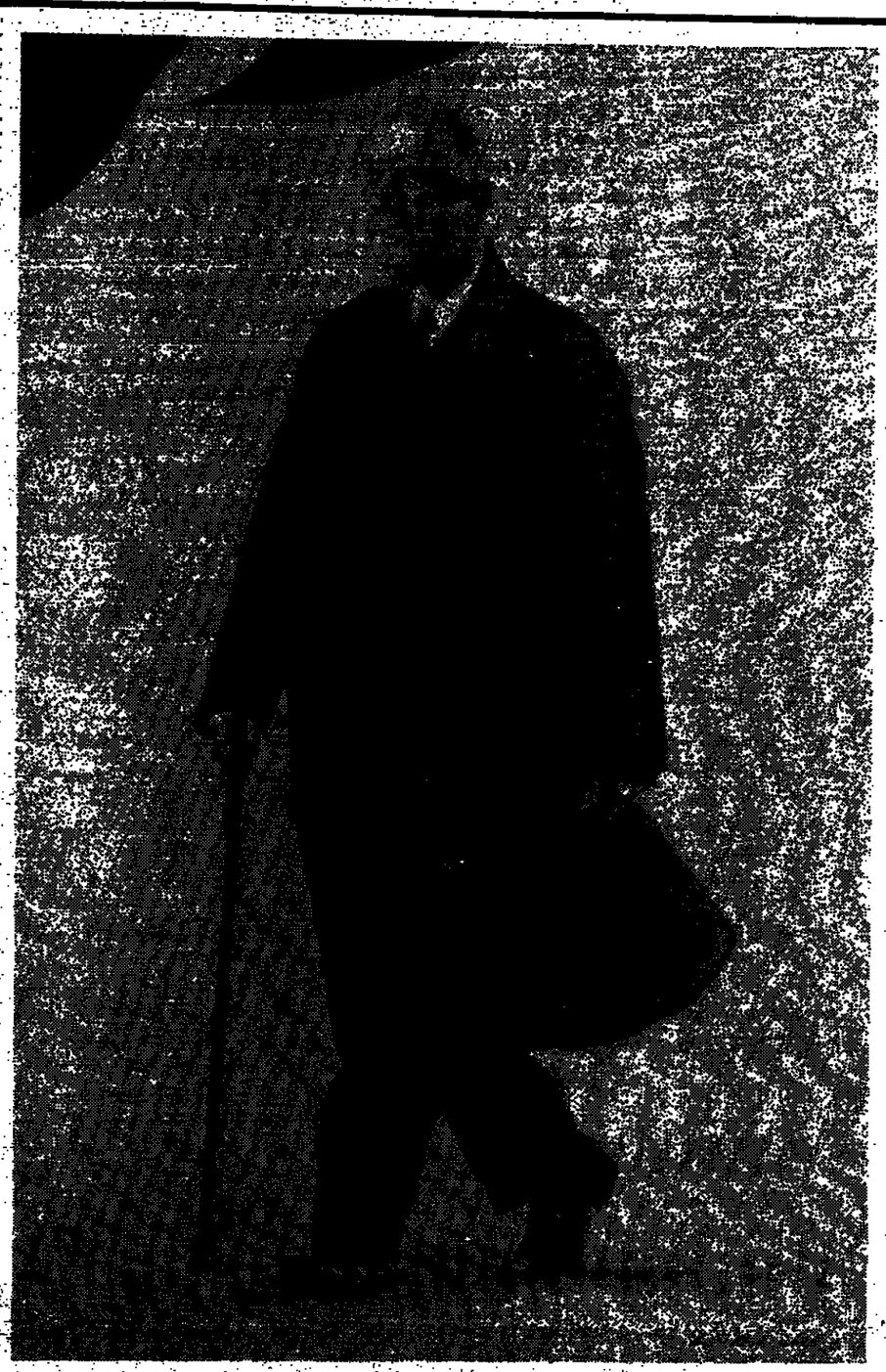

De Gaulle: What He Would Do Now

By Henry A. Kissinger

In this, the 100th year of de Gaulle's birth, and two decades after he resigned from office, it is intriguing to reflect on how the great French president would have reacted to the extraordinary upheavals of our time.

My own encounters with de Gaulle were brief and one-sided. The first occurred at an Elysée reception during President Nixon's Paris visit in 1969. An aide ushered me into de Gaulle's presence. The president wasted no time on pleasantries. Eying me aloofly, he opened with a painful question: "Why do you not withdraw from Vietnam?"

"Because," I replied somewhat lamely, "it would undermine our credibility."

"Where?" de Gaulle demanded.

"In the Middle East," I suggested.

Gazing into the distance with seeming melancholy, de Gaulle said: "How very odd. In the Middle East, I thought it was your adversaries who have the credibility problem."

The encounter was quintessential de Gaulle. He did not believe that diplomacy required charm or personal relations but rather, and above all, a proper perception of the relations of forces. If these are correctly calculated, diplomacy can be successful. If not, neither good will nor charm can serve as a substitute. A basic aim of de Gaulle's

Continued on Page 7

Challenging a Legacy

Two special relationships, by Jean Lacouture. Page 6. De Gaulle's Franco-German strategy, by Michael Stürmer. Page 6. Gaullism in today's world, by Joseph Fitchett. Page 6. Asian insights, by Etienne Manach. Page 7. *Illustration above by Neil McDonald.*

Since '79, Ceausescu Brothers Sold Soviet Weapons to U.S.

By Benjamin Weiser
Washington Post Service

WASHINGTON — For 10 years before the execution of Nicolae Ceausescu, the U.S. government secretly bought advanced Soviet military technology from Romania through Mr. Ceausescu's two brothers, who served in high positions, according to intelligence figures in the United States and abroad.

As part of a clandestine intelligence program coordinated by the CIA, the sources said, the U.S. government paid more than $40 million to Romania through foreign middlemen, with about 20 percent ending up in Swiss bank accounts controlled by the Ceausescus.

The Ceausescu connection was portrayed as part of a broader U.S. weapons-buying operation that reached into the highest levels of the Warsaw Pact military establishment. The Central Intelligence Agency and the U.S. military were able to obtain important components of the tactical, nonnuclear weaponry — including air defense systems — that the Soviet Union has in place.

From Romania alone, the sources said, the acquisitions included the latest version of the Shilka, one of the most effective anti-aircraft systems in the Soviet inventory; mobile rocket launchers that had been modified and improved by the Romanian military, and radar systems used in identifying targets and directing the firing of Soviet anti-aircraft weapons.

Armed with this knowledge, U.S. military planners could then develop countermeasures, or perhaps decide not to build a costly weapon.

"The potential value of these things is almost incalculable," a U.S. intelligence officer said. "The only way you can truly unlock the secrets of your adversaries' weapons is to physically have them."

For example, access to the Soviet radar systems aided in U.S. development of the "stealth" technology, designed to allow aircraft to elude radar detection.

U.S. government officials say that Nicolae Ceausescu was not personally involved in the dozen or so transactions, but that the operation could have succeeded only with his tacit approval.

"It was an assumption from the beginning," a U.S. intelligence officer said. "It was never something that we had to debate. None of this could happen, our presumption was, without him."

Of all the East bloc deals, the Romanian transactions may have been the most stunning because of the Ceausescu involvement. Nicolae Ceausescu was one of the most hard-line Communist leaders in the Warsaw Pact.

The Romanian operation is said to have come to a halt in December, when Mr. Ceausescu was overthrown and executed. The two brothers also are out of the picture: Marin Ceausescu, 71, was found hanged Dec. 28 in the basement of the Romanian trade mission in Vienna, which he headed. Lieutenant General Ilie Ceausescu, 63, deputy defense minister and secretary of the Supreme Political Council of the Romanian armed forces, was arrested during the revolution and remains in custody in Bucharest.

The upheaval in Eastern Europe has disrupted the broader operation, intelligence figures say, but not ended it. Over the past decade, the U.S. government has paid more than $250 million to obtain the latest versions of Soviet-made weapons systems through contacts in Poland, Czechoslovakia, Hungary, East Germany and Bulgaria, they say.

The contacts included influential military or Communist Party officials, whose willingness to sell was seen by some in the U.S. intelligence community as a reflection of growing discontent among some Warsaw Pact officials.

"It was corrupt to the core," a former U.S. official said. "There was no ideological discrimination. If you wanted to use this as an indication of the fragility of the system, this was a classic."

Although Romania was more independent of Moscow than were other East bloc nations, intelligence officials say they never assumed the Ceausescus were betraying their Soviet allies out of any secret affection for U.S. policies or ideology.

"It was just greed — pure and simple personal greed," a retired high-ranking U.S. intelligence official

See SECRETS, Page 5

Is U.S.S.R. Nearing Collapse?

NATO Talks Of Possibility

By Thomas L. Friedman
New York Times Service

BONN — While NATO ministers have tried to maintain a business-as-usual demeanor toward Moscow, they are privately whispering about the possibility that the Soviet Union could collapse into political turmoil before new arms-control deals are completed.

At a meeting of NATO foreign ministers in Brussels, the British foreign secretary, Douglas Hurd, told his colleagues Thursday that the situation in the Soviet Union was "moving rapidly toward a state of confusion."

"There is a serious possibility that the whole thing will crumble at the Communist Party congress," he said. The congress is scheduled for early July.

Secretary of State James A. Baker 3d was equally sober in his presentation to his fellow North Atlantic Treaty Organization ministers.

According to a text of Mr. Baker's remarks, he said at the closed session in Brussels: "In our view, *perestroika* has entered a critical, even paradoxical stage. On the one hand, Gorbachev's formal power has never been greater as he heads for the party congress this summer. Ascending to the presidency, he is

See SOVIETS, Page 5

Czarek Sokolowski/The Associated Press

Lech Walesa and Secretary of State Baker sharing a laugh in Warsaw Sunday. Poland was invited to attend Paris talks in July involving the Germanys and the four World War II victors. Page 4.

Kohl Asserts Last Hurdle to Unity Is Lifted

But as Talks Start, Soviets Repeat Hard Line Against Germany's Joining NATO

Compiled by Our Staff From Dispatches

BONN — Chancellor Helmut Kohl of West Germany asserted Sunday that "there are no more hurdles along the way to the realization of the right of all Germans to self-determination."

Speaking the day after the major combatants of World War II in Europe opened formal talks on German reunification, Mr. Kohl said, "After 40 years of painful separation, the fervent wish of all Germans to unite in one country is being fulfilled."

He described it as a "historic event for Germany and Europe."

But in spite of Mr. Kohl's optimistic remarks, obstacles to reunification appeared Saturday at the talks, which have brought together East and West Germany, the United States, the Soviet Union, France and Britain.

The Soviet foreign minister, Eduard A. Shevardnadze, rejected the notion of a single Germany's joining the North Atlantic Treaty Organization, declaring that the full gamut of military and political issues involved in reunification must be resolved before Moscow would sign any agreement.

But Reuters on Sunday quoted a West German official as saying that Mr. Shevardnadze had told the delegates that Moscow no longer insisted that the new state's military status be defined before East and West Germany merge.

The official, who asked not to be named, quoted Mr. Shevardnadze as saying that a solution to the issue could be put off for a few years. Such a step could keep up in the air the question of a unified Germany's membership in NATO, on which the four victorious World War II Allies insist.

There was no immediate reaction by the Allies to the official's remarks.

Moscow on Saturday stated its disagreement with the West on several aspects of reunification, but all participants agreed that German unity must not be hindered.

The U.S. secretary of state, James A. Baker 3d, seemed to reflect that mood when he said, "Today, we engage in an act of reconciliation, of a people too long separated, of a continent too long divided."

Mr. Baker spoke as he met with the foreign ministers of the five other nations for the first full ministerial meeting of the Two-plus-Four talks.

From the outset, however, Mr. Shevardnadze signaled that Moscow, despite the disintegration of the Warsaw Pact and the Soviet Union's host of internal problems, would bargain hard for its views in the coming months. At the same time, he seemed to take pains to indicate that the Soviet Union did not intend to hold up the talks on German unity.

At a news conference held by the six ministers at the end of their session, Mr. Shevardnadze acknowledged that some "serious differences" had been aired, but he emphasized that these "need not be dramatized" and that "this is usual for the negotiating process."

"Happily, we have no problem with any sort of allergy to the wishes of the German nation to unity," Mr. Shevardnadze said in his opening remarks.

There was a sense among Western officials that some of Mr. Shevardnadze's tough talk may have been intended at least in part to assuage hard-line critics in the Soviet Union, who have chafed at the notion of letting the Germanys unite and join NATO.

Nonetheless, Mr. Shevardnadze's position confirmed expectations that the talks could in effect prove to be "one-plus-five," with the Soviet Union using one of its last remaining levers in Europe — its victor's rights in Germany — to preserve whatever it could by way of political, military and economic influence on the Continent.

German membership in NATO, Mr. Shevardnadze said, "would very concretely affect our security interests, it would mean an acute violation of the balance of power in Europe, it would create for us a dangerous military-strategic situation."

The broader disagreement between Moscow and

See UNITY, Page 5

Kiosk

World Jews Meet in Berlin

BERLIN (Reuters) — International Jewish leaders gathered here Sunday to tell the Germanys that they bear special responsibility for Jewish survival.

"We Jews have always believed that we have a special mission — to be a light unto the nations," said Edgar M. Bronfman, president of the World Jewish Congress. "Germany almost destroyed European Jewry and, with it, that special light. Now you have a special obligation to us."

Chancellor Helmut Kohl replied that Jews had nothing to fear, since a reunited Germany would be firmly democratic and committed to Israel's survival.

Monday Q&A
An MIT economist urges tying IMF loans to a broad-based fiscal policy. Page 2.

General News
A U.S. general challenged President Bush on his proposal for missile cuts. Page 2.
A freed U.S. hostage said he was badly beaten after twice trying to escape. Page 4.

Business/Finance
Militant Hyundai workers occupying a shipyard began a hunger strike. Page 9.
OPEC's increased U.S. investments give Wall Street a stake in oil prices. Page 9.

Crossword Page 5.
Classified Ads Page 4.

Third World Fears Funding Competition

By Lawrence Malkin
International Herald Tribune

WASHINGTON — A leading financial official from the Third World warned Sunday of the "great danger" that development capital would be diverted to the emerging democracies of Eastern Europe. The president of the World Bank promised it would not.

This competition for seed money shaped up as a fundamental financial issue at the spring meetings of the World Bank and the International Monetary Fund.

Simultaneously, the seven finance ministers from the world's richest countries worked to complete agreement on a package to provide an additional $60 billion in emergency IMF financing for the fund's competing clients in Eastern Europe and the Third World. That would mean a 50 percent increase in its resources.

Because approval by most of the IMF governments is needed to legislate a punitive clause that would suspend certain countries — described by the IMF managing director, Michel Camdessus, as "our totally recalcitrant members" — Third World representatives tried to use their voting leverage to double the *size* of the new financing that will be available once increased funding quotas are approved. IMF and G-7 officials said they were unlikely to succeed.

A caucus of 24 Third World finance ministers, meanwhile, heard the World Bank president, Barber Conable, say that while its global mandate "requires us to take an active role in Eastern Europe, our human and financial resources will not be reduced in continuing the fight against poverty wherever it exists."

At a news conference shortly afterward, Finance Minister Bernard T.G. Chidzero of Zimbabwe, chairman of the IMF's development committee, warned that Eastern Europe's credit demands "pose a challenge to the international community" and expressed the hope that they would not be fulfilled at the expense of the developing countries.

So far, Mr. Chidzero said, his soundings indicated that Third World demands would be taken into account. But he added that he was watching carefully. Channeling funds into Eastern Europe beyond its "legitimate" needs, he warned, "would pose the great danger of an explosion and sour the North-South relationship."

At risk are long-term investment funds of the kind lent by the Bank, rather than the short and medium-term term balance of payments finance offered by the Fund. Hungary, Poland and Yugoslavia already are operating under IMF standby agreements, and those probably will be rolled over into three-year agreements soon. Romania and then perhaps Czechoslovakia may also seek financing.

IMF officials said that with the enlargement of IMF quotas by at least $60 billion, they could handle programs of perhaps $1 billion to $1.5 billion for the half-dozen countries in Eastern Europe. However, Mr. Camdessus made it clear that the countries could expect the money mainly only to support austerity and privatization programs that would bring down inflation, strengthen their currencies and squeeze wages.

To underline his point, the Fund's managing director singled out for praise "the comprehensive,

See G-7, Page 11

De Maizière's Party Slips in Local Voting

Compiled by Our Staff From Dispatches

BERLIN — East Germany's governing parties lost a significant slice of the vote to grass-roots groups and independent candidates in local elections on Sunday, but they kept their grip on the country's politics overall.

According to a computer projection on state television, the Christian Democrats of Prime Minister Lothar de Maizière won 32.4 percent of the vote, 8.4 percentage points less than their total in the general election on March 18.

Although more than half the voters backed government parties, the swing away from Mr. de Maizière's coalition could be a sign of disappointment with the terms it has secured from West Germany for merging the two nations' economies. "We'll certainly have to ask ourselves why the result is so different this time," Mr. de Maizière said, "but it is not representative to compare local with parliamentary elections."

All but one of the five parties in Mr. de Maizière's coalition lost votes, as the electorate turned to small local groups or stayed away from the polling stations altogether. The Peasants Party and the ecologist Greens took an unexpected 8.1 percent between them, according to estimates.

The turnout on one of the hottest days in May on record was estimated at 80 percent, less than in the parliamentary elections that swept Mr. de Maizière to power and formally ended 40 years of Communist rule. "It's a sign of how the voters feel about elections," said Interior Minister Peter-Michael Diestel, Mr. de Maizière's deputy. "But it guarantees there are suitable people to rule again in our towns and villages."

The peaceful revolution last year ended Stalinist rule at the top, but at the local level many Communists remained in charge, albeit under the scrutiny of citizens' groups. The poll was a chance for voters to remove the last remnants of the old guard in municipal and village councils.

In local elections a year ago, the Communists claimed 98.85 percent of the vote. "Above all, this is a victory for democracy after the fraud of last year," Mr. de Maizière said.

This year the Communists, restructured and renamed the Party of Democratic Socialism, won 14.4 percent, better than many predicted but about two percentage points down from their total in the March elections. "We can live with the result," said Gregor Gysi, the leader of the party.

The Social Democrats, the second-largest party and a member of Mr. de Maizière's coalition, took 21.3 percent of the vote, a fraction less than in March.

(Reuters, AFP)

Molecular Biology Shakes the Tree of Life Down to Its Roots

By Susan Okie
Washington Post Service

WASHINGTON — More than 2,300 years after Aristotle divided living things into plant and animal kingdoms, and more than a century after Charles Darwin first proposed that all species evolved from a common ancestor, scientists in one of the youngest branches of biology are radically redrawing life's family tree.

The revisions are emerging from the new ability of molecular biologists to compare genes from all kinds of living creatures and look for the very mutations that dictate evolutionary change. This approach is supplanting the old method of comparing gross anatomy.

Among the discoveries that biologists consider startling:

- The old division of humans and apes into two families makes little evolutionary sense. According to the genes, it would be more logical to put humans, chimps and gorillas into one evolutionary group, and other apes, such as orangutans and gibbons, into another. Within the first group, chimpanzees are more closely related to human beings than they are to gorillas.
- Bacteria, long considered to make up a single "kingdom," are actually made up of at least two fundamentally different forms of life. Some bacteria, it turns out, are more different from each other at the genetic level than a human is from an oak tree.
- The single-celled life forms known as protists, which include the protozoa, are much more ancient and diverse than previously thought. Some — for instance, an intestinal parasite called Giardia — may have appeared more than 3 billion years ago and may be a "missing link" between bacteria and more advanced life forms.
- Evolution has occurred not only through the gradual accumulation of mutations in a cell, but at times through the merging of the genes of two unrelated creatures to create a new kind of organism. Humans are the descendants of such a new organism.
- The world's 11 species of crocodiles, found in widely separated regions around the globe, are so closely related that scientists now think they may have evolved from a common ancestor in a single location as recently as 12 million years ago. This implies that crocodiles were evolving vigorously long after the "age of reptiles" closed 66 million years ago and that they must have swum across the oceans to reach their current habitats.

Such findings have "led to a fundamentally different view of the world" of living things, said Mitchell Sogin, an evolutionary biologist at the Marine Biological Laboratory in Woods Hole, Massachusetts.

In 1980, the University of Michigan established the first laboratory devoted to deciphering genes in the study of evolution. Since then, the field has revolutionized a branch of science that for decades

See GENES, Page 4

Economist Urges Tying IMF Loans to Broad Fiscal Policy

Rudiger Dornbusch is Ford Professor of International Economics at the Massachusetts Institute of Technology. He spoke with Lawrence Malkin of the International Herald Tribune on the eve of the International Monetary Fund's Interim Committee meeting in Washington.

MONDAY Q&A

Q. The IMF was formed to finance solutions to short-term trading problems in the industrial world. What is its role now?

A. I think the IMF has lost much of its independent role as the result of the U.S. Treasury managing IMF decisions. IMF programs fail routinely in Argentina, Brazil, Peru. It is essential to have a much more serious conditionality: The strings attached to IMF loans must demand broad-based fiscal reform, not month-to-month monetary targeting.

Q. Is the Brady Plan helping to reduce the problems for the less developed countries and their bank creditors, or is something else needed?

A. For a moment it looked successful, but basically Mexico is where it was before the Brady Plan. Not enough money is there for full confidence in reconstruction. We need to recognize that countries like Mexico have made all the adjustments that we can plausibly expect, and then help them build a bridge to bring back their flight capital. That means 10-year stabilization loans, so large and so long and so conditioned that the $100 billion waiting in Miami finally has the confidence to come home.

Q. This is not going to happen unless you rethink world trade and finance. What should the new system be?

A. The trading system is falling into blocs. The European strategy of dismantling internal barriers for 1992 diverts trade from the rest of the world to European locations for production. Anyone, including the United States, can invest.

Another change is that Eastern Europe visits 100 million low-cost workers on the Common Market, and they need to be given trade access so that people will want to invest there. But 100 million more low-cost workers in the East means that countries like Greece, Spain, Portugal will have severe competitive pressure. They will want a wall around Europe against Asia and Latin America.

In Asia, Japan is very aggressively building its own co-prosperity area, an Asian trading zone. They do it with direct investment in the Philippines, Malaysia, Thailand, telling those countries: "We have three things you want, money, technology and our firms have access to the Japanese market, something nobody else really has."

Japan is also looking toward the Soviet Union. Ultimately the Kuril Islands, those "Japanese Malvinas" occupied by the Soviet Union, will be the negotiating point to start a long-term Japanese development program for the Soviet Union.

Japan is not going to start consuming. It is taking its trade surpluses elsewhere, to Asia and the Soviet Union. That will be the second bloc.

Q. Where does that leave the United States?

A. We must decide whether to stick with status-quo multilateralism or go in the same direction and find the pieces that are left for us. What's left are not the most attractive ones, but unless we invest in them, we will get the political fallout of continuing poverty in Latin America.

Mexico is going to be a prosperous market of 100 million people by the year 2000, and we should have a free-trade agreement with Mexico just as we have with Canada. Then why not go further? We can offer most favored nation treatment of trade with any country that takes down its barriers to join a North American Common Market.

Q. What will be the advantage to the Latin Americans?

A. A country like Brazil, once it has come down to earth from its current traumas, will want an export-led recovery. Their budget has to tighten. Their consumers are poor. Nobody wants to invest there. Growth will have to come from exports, and for that they have to look to the United States. Note that Argentina and Colombia are talking of approaching Washington with a free trade program. Because once you start modernizing your economy, you ask: "Where will I sell?"

Q. Who or what will manage the new system?

A. We will not have a hegemon to manage the system. We will have a system like the inter-war period and some periods of the 19th Century. Europe will probably be the strongest unified group, speaking with one voice — mostly in a German accent. Japan will be independent, because they can dominate but do not know how to work in a partnership. The United States will be the third strong, but dominant group. Europe and America will not have trade conflict, but Japan will, and will find herself more and more challenged.

The blocs are forming, and until they are in place, we cannot talk about new trade relationships. Pragmatism and conflict will be the rule. In the financial area, we first will have first German monetary unification. Until then, we will not get European monetary unification. And until then we cannot even talk about an international monetary system to succeed the IMF.

SAC Chief Challenges Bush On Nuclear Arms Proposal

By Michael R. Gordon
New York Times Service

WASHINGTON — Challenging administration policy on strategic weapons, the head of the Strategic Air Command has expressed doubt about the feasibility of President George Bush's latest proposal to reduce long-range nuclear arms.

The officer, General John T. Chain, said he did not think the Soviet Union would support Mr. Bush's proposal to ban land-based missiles with multiple warheads because Moscow relied on such weapons.

At the same time, General Chain questioned whether the United States had the money to carry out the Bush proposal. Mr. Bush's plan would require the development of new single-warhead Midgetman missiles, and General Chain indicated that he did not think the air force had enough money for such weapons.

It is rare for military officers to openly question policy directions set by the White House and secretary of defense. The comments Friday by General Chain and other recent remarks by senior officers suggest that budget cuts as well as the broad changes in military policy under discussion have produced anxiety in military circles.

General Chain said he did not understand the objection to intercontinental ballistic missiles that carry multiple warheads.

"I don't see where MIRVed ICBMs are destabilizing," he told reporters, using the acronym for multiple independently targetable re-entry vehicles.

His position was at variance with those of Defense Secretary Dick Cheney and Brent Scowcroft, the president's national security adviser, who support Mr. Bush's plan.

General Chain was more supportive of Mr. Cheney's plan to put MX missiles on rail cars than he was of the costly Midgetman program. But he said he did not believe the rail-car plan was vital, adding that his top priority was the purchase of the B-2, or Stealth, bombers.

Mr. Cheney said last week that he was cutting production plans for the new bomber from 132 to 75 planes. The general said that he supported that decision but that additional cuts in the B-2 program were unacceptable.

General Chain said keeping the 10-warhead MX missile "in a silo does not bother me at all."

Pentagon officials said General Chain's concerns that the cost of the Midgetman and the MX programs would use money needed for new aircraft were broadly shared by air force leaders.

The air force's long-range budget proposals include only limited funds for the two missile programs, enough to continue development of the systems but not enough to deploy the weapons, Pentagon officials say.

Both missile programs have been endorsed by the White House, which says mobile MX and Midgetman missiles would reduce the vulnerability of U.S. strategic weapons to Soviet attack.

General Chain noted that the Soviet Union had invested substantial sums in land-based multiple-warhead missiles, including the SS-18 and SS-24, which each carry 10 warheads.

"I can't personally imagine the Soviets giving up SS-18s and SS-24s," he said.

■ Soviets First, Cheney Says

Mr. Cheney said the United States should delay withdrawal of its short-range nuclear forces in Europe until after the Soviet Union has pulled out its nuclear weapons, The Associated Press reported from Washington.

Mr. Bush announced last week that the administration had abandoned plans to modernize the existing Lance, a short-range nuclear missile based in Europe and aimed at East Germany.

Mr. Cheney, in a broadcast interview on Saturday, said, "Until the Soviets have removed their nuclear forces, short-range nuclear forces, in East Germany, it makes no sense for us to take ours out of West Germany."

Ruben Fasina/The Associated Press

Israel Galeano, a contra military leader, saluting after signing an accord with President Chamorro.

Contras Vow Anew to Turn In Arms

Reuters

MANAGUA — After breaking an earlier accord, the Nicaraguan rebels have again agreed to start handing in their weapons on Tuesday and to disarm fully by June 10 after receiving guarantees on their personal safety from the country's new U.S.-backed government.

The agreement was signed on Saturday after 16 hours of negotiations between delegations headed by President Violeta Barrios de Chamorro and a rebel military commander, Israel Galeano.

The accord marked the second time in two weeks that the rebels, known as contras, have agreed to hand in their weapons. They pulled out of an earlier accord, saying they were worried about their personal safety.

About 30,000 people died in the eight-year war the contras fought with U.S. backing against the government of the Sandinista Front, which has relinquished power to an opposition alliance after losing in the elections in February.

An Organization of American States official said last week that there were at least 9,000 armed contras now in five international security zones inside Nicaragua.

Shortly before the handover of political power in Nicaragua, the contras signed an agreement to begin disarming on April 25 and end the process by June 10. But the agreement failed when the rebels backed out.

The accord on Saturday was read at a news conference by Cardinal Miguel Obando y Bravo.

Roberto Ferrey, a former contra now serving as Mrs. Chamorro's special envoy to the rebels, said, "I think Tuesday will be the day we see the beginning of the end of the war."

Mr. Galeano said, "There is now a fixed date and we are disposed to comply."

In return for the rebel commitment to hand over their arms to United Nations forces, Mrs. Chamorro promised economic support and personal security guarantees for the rebels.

Much of Europe Savors A Record Heat Wave

Compiled by Our Staff From Dispatches

PARIS — Record high temperatures throughout much of Europe over the weekend brought joy to beachgoers and ice cream vendors, but authorities said that the heat wave increased pollution levels, made water shortages worse and increased the likelihood of forest fires this summer.

In the Scandanavian countries, Stockholm's 27 degrees centigrade (81 Fahrenheit) on Sunday was a record for May.

Many Danes put television sets in their windows Saturday night so they could watch from the relative coolness of their gardens. Temperatures in the last week of up to 26 centigrade (79 Fahrenheit) were the highest in Denmark for May in 30 years.

Oslo remained under clear skies and temperatures as high as 23 centigrade (78 Fahrenheit) while its Olympic ski jump remained just as it has been all year — snowless.

The 12,000 runners in the 15th annual Paris marathon were well aware of the heat, the thermometer hitting 30 centigrade (86 Fahrenheit) by the time the race ended at noon near the Arc de Triomphe. While Parisians and tourists invaded parks and outdoor cafés, thousands of other sun seekers flocked to beaches in Normandy.

In London, where the temperatures on Sunday reached 28 centigrade (82 Fahrenheit), people found relief where they could — ice cream parlors, public fountains and parks.

But cooler weather spread across much of Britain. Temperatures in Scotland and northern England were down substantially from Saturday, and there was light rain in some areas.

Thunderstorms broke a heat wave in Hungary and were expected to do the same in Czechoslovakia. Storms were also anticipated in several parts of France.

In Italy, the temperatures on Sunday were seasonable. In Rome, they peaked at 23 centigrade (73 Fahrenheit), and in Palermo the high was an all but chilly 18 centigrade (64 Fahrenheit).

Although European temperatures are generally expected to drop soon, officials in several countries said they were worried that the unusual heat, after a dry winter, would generate severe water shortages and forest fires.

French officials said that only heavy and prolonged rains before summer could prevent ecological disaster. *(UPI, AP)*

■ Flooding in Arkansas

Arkansas residents built sandbag dikes and evacuated low-lying areas along the Arkansas River on Sunday as floodwaters from two weeks of heavy rains in Oklahoma swept downstream to the Little Rock area, United Press International reported.

Farther south, flooding continued along the Red River, which forms part of the Oklahoma-Texas border, as authorities released water from a swollen reservoir.

Dense fog limited morning visibility in western New York near Lake Ontario, in southeast Kentucky, in parts of Illinois and in eastern Iowa.

More record heat was forecast in Southern California, with highs expected from around 70 degrees Fahrenheit (21 centigrade) along the coast to well over 100 Fahrenheit (38 centigrade) in inland valleys.

WORLD BRIEFS

Pope Starts Weeklong Visit to Mexico

MEXICO CITY (NYT) — Pope John Paul II traveled to Mexico City on Sunday to begin a weeklong visit to a country whose people are overwhelmingly Roman Catholic but whose government maintains no diplomatic relations with the Vatican and has a tense relationship with the local church.

More than a quarter of Mexico's 86 million people are expected to attend at least one of the Pope's more than 20 public appearances, starting Sunday with a Mass at the Basilica of Our Lady of Guadalupe, at which several Mexican candidates for sainthood will be beatified.

His arrival comes as Mexicans are engaged in a debate on the church's role in national life and on what civil status, if any, it should have. Mexico and the Vatican have had no diplomatic relations since 1857.

Havel Honors U.S. Troops of 1945

PLZEN, Czechoslovakia (Reuters) — President Vaclav Havel paid tribute Sunday to U.S. soldiers who liberated this west Bohemian town at the end of World War II.

Until the peaceful revolution in November, Czechoslovakia's Communist rulers gave all credit for liberating the country in World War II to the Soviet Army. With the U.S. ambassador, Shirley Temple Black, Mr. Havel unveiled the foundations of a monument to the troops of the U.S. Third Army under General George S. Patton Jr., who entered the town on May 5, 1945.

Mr. Havel told more than 100,000 people in the central square of Plzen that the celebrations were the repayment of a debt to those whose place in history had been denied by the Communists. But he also paid tribute to the Russian troops who had liberated the greater part of the country in 1945, saying they deserved "our lasting respect."

Colombia Seizes 12 Tons of Cocaine

BOGOTA (Reuters) — The army has seized 12 tons of cocaine in a raid on a remote processing center in a triangular jungle area well east of the capital.

In what a spokesman called one of Colombia's biggest anti-narcotics operations — it began Thursday and ended Saturday — the army killed two people and arrested 17 as well seizing airplanes and various weaponry. He said the soldiers found 25 aircraft, which would be destroyed.

A national radio report said the cocaine, being readied for shipment to the United States, was worth $860 million.

Philippine Police Seek GI's Killer

MANILA (Combined Dispatches) — Philippine policemen hunting the killers of a U.S. Marine sergeant rounded up dozens of suspects on Sunday as 40,000 American military personnel and their families were confined to their bases by a U.S. order.

The police in Olongapo said they had brought in more than 30 people for questioning after gunmen suspected of being Communist guerrillas shot Sergeant John S. Fredette, 34, outside the Subic Bay Naval Base. Sergeant Fredette, of Buena Park, California, was attacked late Friday when five gunmen approached him in the nightclub district of Olongapo, 80 kilometers (50 miles) west of Manila, and shot him in the neck.

No group took responsibility for the killing, but a police investigator said it had "all the earmarks" of an assassination by Communist rebels. Philippine officials warned recently that the New People's Army was planning to kill an American before talks begin May 14 on extending the lease on six U.S. bases in the Philippines. *(Reuters, AP)*

8 Moldavia Border Crossings Opened

UNGHENI, Romania (AP) — Hundreds of thousands of people from both sides of the Romanian-Soviet frontier flocked Sunday to eight temporarily opened crossings in a celebration of resurgent Romanian nationalism.

The border marks a Romanian region, Bessarabia, that was occupied by the Soviet Union 50 years ago; most of its territory is contained in the Soviet republic of Moldavia. Demands for the return of Bessarabia are growing on both sides of the border, which was opened Sunday for the first time since the Soviet annexation.

The border opening occurred at the initiative of the Popular Front of Moldavia and other cultural organizations, official and independent, on both sides of the Prut River, which forms the frontier. Soviet sources said the request had been approved April 17 by Moldavia's Supreme Soviet, or legislature.

TRAVEL UPDATE

More Crime Against Moscow Visitors

MOSCOW (NYT) — The number of crimes reported against foreigners in Moscow jumped last year to 779, from 272 in 1988, according to the Interior Ministry. Those crimes accounted for 2 percent of the number of crimes registered, representing virtually a tenfold increase over the previous two years, ministry officials said.

Foreigners were once insulated from crime waves by limits on their access to the people and by the close surveillance of the authorities. But with liberalization, Soviet citizens are no longer afraid to mingle with foreigners, and Soviet criminals are no longer afraid to attack them.

The crimes range from murder to rape to burglary and attempted kidnapping, but a large majority involve theft. Foreigners are often naive about the criminal element in the Soviet Union, Western and Soviet officials said. Many visitors apparently feel that in a country that was long a police state, they are safe from such harm.

The London dialing code, 01, was changed Sunday to 071 for inner London and 081 for outer London, which will allow British Telecom to double the amount of numbers in the London area. *(AFP)*

The U.S. Federal Aviation Administration ordered airlines to install enhanced cockpit warning systems to ensure that cargo doors are properly shut on certain older Boeing 747s. The directive is the latest in a series prompted by an incident on Feb. 24, 1989, in which nine people were swept to their deaths after a United Airlines 747 cargo door ripped open in flight near Hawaii. The order, to take effect May 29, says the devices must be visible to both pilot and copilot, and must monitor more parts of the doors' locking mechanisms. *(AP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Britain, South Africa, Thailand.

TUESDAY: Bangladesh, Burma, France, Monaco, Thailand.

WEDNESDAY: Czechoslovakia, India, Malaysia, Singapore, Sri Lanka, Soviet Union.

THURSDAY: El Salvador, Indonesia, Sri Lanka.

FRIDAY: Denmark.

SATURDAY: South Korea.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	17	63	11	52	sh
Athens	28	82	18	64	s
Barcelona	23	73	11	52	s
Belgrade	24	75	12	54	s
Berlin	22	72	11	52	s
Brussels	17	63	11	52	sh
Budapest	24	75	12	54	s
Copenhagen	17	63	9	48	sh
Costa Del Sol	26	79	17	63	s
Dublin	12	54	7	45	r
Edinburgh	14	57	6	43	sh
Faro	23	73	12	54	s
Florence	22	72	11	52	s
Frankfurt	25	77	11	52	s
Geneva	21	70	10	50	s
Helsinki	16	61	9	48	sh
Las Palmas	24	75	16	61	s
Lisbon	22	72	12	54	s
London	14	57	7	45	sh
Luxembourg	24	75	11	52	s
Madrid	26	79	11	52	s
Milan	22	72	11	52	s
Moscow	21	70	8	46	s
Munich	21	70	8	46	s
Nice	19	66	14	57	s
Oslo	23	73	7	45	s
Paris	19	66	15	59	r
Prague	23	73	7	45	s
Reykjavik	6	43	1	34	sh
Rome	23	73	11	52	s
Stockholm	18	64	10	50	s
Strasbourg	23	73	9	48	s
Venice	23	73	10	50	s
Vienna	24	75	11	52	s
Warsaw	24	75	7	45	s
Zurich	21	70	9	48	s
MIDDLE EAST					
Amman	33	91	20	68	pc
Cairo	34	93	20	68	s
Istanbul	19	66	10	50	s
Jerusalem	29	84	16	61	s
Tel Aviv	32	90	20	68	s
OCEANIA					
Auckland	—	—	—	—	—
Sydney	25	77	15	59	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	26	79	t
Beijing	28	82	17	63	s
Hong Kong	28	82	24	75	sh
Manila	33	91	26	79	t
New Delhi	39	102	27	81	s
Seoul	19	66	7	45	s
Shanghai	23	73	12	54	s
Singapore	32	90	26	79	t
Taipei	28	82	21	70	t
Tokyo	21	70	17	63	r
AFRICA					
Algiers	31	88	15	59	s
Cape Town	22	72	13	55	s
Casablanca	28	82	15	59	s
Harare	28	82	13	55	s
Lagos	32	90	25	77	t
Nairobi	26	79	15	59	t
Tunis	28	82	15	59	s
LATIN AMERICA					
Buenos Aires	20	68	12	54	sh
Lima	27	81	20	68	s
Mexico City	26	79	13	55	s
Rio de Janeiro	26	79	20	68	s
NORTH AMERICA					
Anchorage	11	52	1	34	sh
Atlanta	22	72	11	52	sh
Boston	16	61	7	45	sh
Chicago	17	63	5	41	sh
Denver	22	72	7	45	sh
Detroit	18	64	7	45	sh
Honolulu	29	84	22	72	pc
Houston	28	82	17	63	t
Los Angeles	20	68	15	59	pc
Miami	31	88	23	73	t
Minneapolis	21	70	11	52	sh
Montreal	18	64	7	45	sh
Nassau	28	82	24	75	t
New York	18	64	12	54	sh
Phoenix	37	99	24	75	t
San Francisco	17	63	9	48	pc
Seattle	17	63	8	46	sh
Toronto	12	54	5	41	sh
Washington	21	70	10	50	s

cl-cloudy; fr-fair; r-rain; sh-showers; s-sunny; sh-stormy.

MONDAY'S FORECAST — CHANNEL: Stdld. **FRANKFURT:** Fair. Temps. 27 — 12 (81 — 54). **LONDON:** Showers. Temps. 23 — 12 (73 — 54). **MADRID:** Thunderstorms. Temps. 28 — 11 (82 — 52). **MOSCOW:** Fair. Temps. 22 — 12 (72 — 54). **NICE:** Fair. Temps. 22 — 12 (72 — 54). **PARIS:** Fair. Temps. 27 — 15 (81 — 59). **ROME:** Fair. Temps. 24 — 8 (75 — 46). **TEL AVIV:** Hot. Applies. **BANGKOK:** Showers. Temps. 34 — 26 (93 — 79). **ZURICH:** Fair. Temps. 24 — 9 (75 — 48). **MANILA:** Fair. Temps. 33 — 26 (91 — 79). **HONG KONG:** Fair. Temps. 28 — 24 (82 — 75). **SEOUL:** Thunderstorms. Temps. 19 — 7 (66 — 45). **SINGAPORE:** Fair. Temps. 32 — 26 (90 — 79). **TOKYO:** Cloudy. Temps. 21 — 16 (70 — 61).

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AMERICAN TOPICS

U.S. Health-Care Costs Erase Income Gains

U.S. health-care costs have increased so rapidly in recent years that they have wiped out most of the income gains achieved by middle-class American families, according to Citizen Action, a public interest group. It said that from 1980 to 1987, rising health care costs erased from 77 to 91 percent of real income growth for median-income households.

Health-care expenses have eaten up one-fifth of real U.S. economic growth over the same period, "nearly twice the bite taken out of the economic growth of the nation's major international competitors," the group added.

"Unless we act quickly and decisively to reduce our health-care costs and improve our antiquated, inefficient and discriminatory health-care system, we will fall ever farther behind Japan and West Germany," it said.

Americans pay twice as much for their health care as do the Japanese, the West Germans, the Canadians, the British and the French.

Yet the United States ranks 22d in infant mortality and 12th in life expectancy among industrialized countries, according to Citizen Action.

Short Takes

Lawyers frequently cheat their clients, according to Lisa Lerman, a law professor at Catholic University in Washington, in the current issue of University of Pennsylvania Law Review. In interviews with 20 lawyers who were promised anonymity, she was told that one suspicious client farmed out similar assignments to two firms, and got bills of $100,000 from one and $5,000 from the other. In another case, a lawyer charged for 12 to 16 hours of work a day when he averaged only two.

The interviewees said lawyers routinely took credit for ghost-written work of underlings and exaggerated their own expertise.

A Berkeley, California, importer of French wine, Kermit Lynch, has been barred by the U.S. Bureau of Alcohol, Tobacco and Firearms from putting Thomas Jefferson's words, "Wine from long habit has become an indispensable for my health," on wine bottles because the law forbids "curative and therapeutic claims" on labels.

For the same reason, he was barred from using the biblical words of Saint Paul, in *1 Timothy 5:23:* "Drink no longer water, but use a little wine for thy stomach's sake and thine often infirmities."

The United States will soon offer a reward of $4 million for information leading to the arrest and conviction of whoever blew up Pan Am Flight 103 on Dec. 21, 1988, over Lockerbie, Scotland, killing 270 people, according to U.S. News & World Report magazine. It will be the largest U.S. reward ever offered in a criminal case. The money will be provided partly by taxpayers and partly by the airline industry. The goal is to induce an informant in a terrorist group to come forward.

Faced with a ban on watering his lawn during the current drought in California, Duke Clark of Santa Barbara spray-painted it. The green dye is environmentally safe, lasts about a month and costs $30 per 1,000 square feet (about 90 square meters) for each application.

A New York State appeals court has rejected a lower-court jury's $1.45 million negligence award to a woman whose husband was paralyzed after he was stung by a bee at a Long Island restaurant. The court said that in this case the risk was "attributable to nature rather that negligence." It noted that the restaurant sprayed regularly to keep bees away, and that the couple had elected to dine on the outdoor patio.

Notes About People

G. Gordon Liddy, former Nixon aide and convicted burglar in the Watergate affair, is featured in his first film, "Street Asylum." Mr. Liddy plays a psychotic police chief who becomes a fascistic mayoral candidate in Los Angeles.

According to the Los Angeles Times, Peter V. Ueberroth, who ran the 1984 Summer Olympics in Los Angeles, says there was no secret to making a profit on the Games: "If you have a sporting event that is only two weeks long, that you can sell worldwide television rights to for hundreds of millions of dollars, and sell 5 to 6 million tickets at $30 to $40 apiece, and you hire 77,000 people to work for you and don't pay them — then you're going to have $250 million left over."

George F. Will, the political columnist and devotee of baseball, observes: "Football combines the two worst things about American life. It is violence punctuated by committee meetings."

Arthur Higbee

Wade Byars/Agence France-Presse

MEDALS AT LAST — Lloyd Bucher, left, the retired commander of the U.S. intelligence ship Pueblo, joking with a former shipmate before receiving prisoner-of-war medals. The vessel was captured in international waters Jan. 23, 1968, after being fired on by North Korean ships. When the medal was authorized in 1988, the Pentagon ruled that the 82-member Pueblo crew — held for 11 months — did not qualify for POW status; congressional pressure led to a re-evaluation.

Democracy and 'Why Bother' Americans

By Paul Taylor
Washington Post Service

WASHINGTON — What if they held an election and nobody came? This fall, 110 million to 120 million Americans, nearly two-thirds of the electorate, will not vote — the largest group of nonvoters in U.S. history.

What if they took a census and nobody stood up to be counted? This spring, 33 million American households have not sent back their forms. The 63 percent response rate is a dozen percentage points lower than government officials had expected.

A preliminary review suggests that most of the problem is not in poor communities, where the Census Bureau had conducted an intensive promotional campaign, but in middle-class communities, where the bureau had not thought promotion was necessary.

What if they sent out tax forms and nobody paid? This year, for every $5 in federal taxes owed, $1 is being evaded — mostly by sole proprietors and small businesses. The annual tax gap is expected to exceed $100 billion for the first time ever, according to the Internal Revenue Service.

The voting booth, the census form and the tax return are among the few venues for citizens to take part in the enterprise of public life. And now, more than ever, Americans are declining the government's invitation to do so. As democracy flourishes around the globe, it is losing ground in the United States.

"I get so embarrassed when I see elections in Central America where you can get shot by either the left or the right for voting, and yet they vote at twice the rate we do in this country," said Representative Bill Frenzel, Republican of Minnesota. "I think that as a society we're going through a scattering of what used to be called national purpose. At one time this country had a manifest destiny. Nowadays, everyone is chasing a different butterfly."

Walter Dean Burnham, a professor of government at the University of Texas, said: "Clearly we have something of great interest going on here. And it sounds to me like what we've got is a collective national morale problem."

Geoffrey Garin, a Democratic pollster who has done extensive research on citizenship, said: "For a lot of Americans, there is no longer a moral distinction between those who choose to be involved and those who don't. People don't feel any sense of ownership over the federal government. It isn't them, and it isn't theirs."

As these varied observations suggest, explanations for the decline in civic participation cut a wide swath across the fabric of ideology, sociology and history. These are among the explanations:

- The decline is a by-product of a long season in which anti-government populism has been the reigning political idea. This is a favorite liberal theory, and it implicates former President Ronald Reagan. Senator Edward M. Kennedy, Democrat of Massachusetts, says Mr. Reagan used his office to issue a "summons to selfishness." Mr. Garin says Mr. Reagan's message was that "you can love your country but hate your government."

Liberals also say Mr. Reagan's laissez-faire economic policies made the poor poorer and less tethered to the civic order.

Mr. Burnham said, "I would think there is something to the proposition that we have had this enormous pig-out atmosphere in the past decade, and it has created a morale problem for everyone not invited to the barbecue."

- The decline is a result of the long-term weakening of the political parties.

"In this country, our parties can no longer punch their way out of a paper sack," said Mr. Frenzel, who will retire next year after 20 years in Congress. "When I was first elected, the most powerful political forces in my state were the Democrats and the Republicans. Now, they are the Minnesotans for Life, the AFL-CIO and the National Education Association. They have legitimate claims on the process, but all of them operate under a much smaller umbrella than the parties."

- The decline is a result of wholesale failures of government for the last quarter-century. The list is familiar: Vietnam, Watergate, inflation, standard-of-living stagnation, gas lines, budget and trade deficits. These setbacks have been magnified by news organizations that are more adversarial and more pervasive than ever.

- The decline is a result of the atomization of the culture — the segmenting of the population by forces of marketing and technology into demographic ghettos, each with its own cable channel, shopping mall and consumer magazine, and none with a felt need for links with the broader community.

- The decline is a result of Americans' loss of faith in the future. Nations turn inward when they lose their self-confidence. The relative economic position of the United States has been declining for a generation. The U.S. political structure seems seems ossified, in debt to special interests and unable to balance a budget, much less confront the larger problems.

Mr. Burnham calls it a "revolution of declining expectations" — the less people demand from their government, the less they get and the more they drop out.

- The decline is a result of happy apathy, and it is a far healthier development than the nay-sayers suggest. This is a favorite theory of conservatives. They note that although participation may have atrophied at the federal level, it is vibrant and growing at the local level, where volunteerism, charitable giving and neighborhood associations are on the rise.

There is a growing class dimension to non-voting. People in the highest 20 percent of income are almost twice as likely to vote as people in the lowest 20 percent.

Disconnection can sour into hostility. The low return rate of census forms and the high incidence of tax avoidance both seem, in part, to be expressions of anger. "A lot of people who, don't pay their taxes feel like all they are doing is getting even," Mr. Garin said.

U.S. Army to Try 2 for Murder in Panama Invasion

New York Times Service

WASHINGTON — A month after the U.S. Army said it had charged a paratroop with premeditated murder in Panama, the service has disclosed that it has filed murder charges against two other soldiers who took part in the invasion.

The soldiers charged in the new case, which involves the shooting of a Panamanian woman on on Jan. 25, are from the 7th Infantry Division, based at Ford Ord, California. The charges were filed in late January, and a trial is set for next month.

Sergeant Paul T. Finsel Jr., 25, and Private First Class Mark F. McMonagle, 20, are charged with murder, violating orders not to use alcohol or have "intimate personal contact with Panamanian females," impeding an investigation and discharging firearms in a way that could endanger human life.

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Uzis in Colombia Upset U.S. and Israel

By Jeff Gerth
New York Times Service

WASHINGTON — A supply of Uzi machine guns and other weapons, approved by the Israeli government last year for shipment to the eastern Caribbean island of Antigua, wound up instead in the hands of one of Colombia's most notorious drug traffickers.

The Colombian authorities discovered the Israeli-made weapons and hundreds of thousands of rounds of ammunition when they searched the ranch of the drug baron José Gonzalo Rodriguez Gacha, who was ambushed and killed by the Colombian police in December.

The mystery of how the arms and ammunition made their way there has set off a number of investigations and posed a sensitive diplomatic problem for the United States and Israel, U.S. officials say.

In Antigua, the affair has pitted two sons of the prime minister against each other and caused one to step down temporarily from his government post, officials said.

Israel has said only that it approved the arms for sale to the Antiguan government. Antiguan officials say they neither ordered nor received the arms.

Evidence recently uncovered by an investigation by the government of Antigua traced the shipment to two former Israeli Army officers, U.S. and Antiguan officials say.

One of the two, officials say, is wanted in Colombia on charges that he imported arms illegally and trained narcotics traffickers in armed tactics; the other is being sought by the United States because his produce company in Antigua defaulted on $1.3 million in loans from the United States.

U.S. officials are pressing Israel for more information about the matter, administration and congressional officials say.

After the weapons were found, Colombia filed an unusually blunt diplomatic protest with Israel. Israel responded that the exported arms were based on a November 1988 purchase letter from Antigua's minister of national security to the government-owned Israel Military Industries. They added that the letter assured there would be no third-party transfer.

There is no such Antiguan ministry, however, and Antiguan officials say they never ordered any arms. Nor has any user certificate, a standard document in such arms deals, come to the surface, although the Israeli Defense Ministry said in a statement that it "deals only with sovereign governments and only after receiving end-user certificates."

The statement was issued last month, after Israeli news organizations reported some aspects of the affair.

The investigation by the government of Antigua uncovered evidence that the weapons were diverted to Colombia after being offloaded to another ship in an Antiguan port in April 1989, according to documents and U.S. and Antiguan officials.

They said the arrangement, although it involved Antiguans, was directed by the two Israelis, Maurice R. Sarfati and Yair G. Klein, and financed by Bank Hapoalim, an Israeli bank in New York.

Colombia has issued an arrest warrant for Mr. Klein, who is now in Israel. He has said that he was training Colombian farmers and ranchers to fight insurgents in 1988 and 1989.

A nine-month Israeli investigation into whether Mr. Klein's foreign activities received proper approval from Israeli authorities has yet to result in any action, according to Israeli officials and an associate of Mr. Klein.

Mr. Sarfati, an Israeli citizen who used to live in southern Florida, could not be located. His farm in Antigua has been put into receivership by the Overseas Private Investment Corp., a U.S. government corporation that fosters U.S. investment abroad.

The name of Vere Bird Jr., Antigua's minister of public works and communication and national security adviser to his father, Vere C. Bird Sr., the prime minister, is on the 1988 purchase letter cited by Israel.

Officials said the younger Bird had denied signing any such letter. But he has temporarily stepped down from his post pending a judicial inquiry and an investigation by E. Lawrence Barcella Jr., a Washington attorney hired by Lester Bird, Antigua's foreign minister and Vere Bird Jr.'s brother.

Lester Bird is competing with his brother to succeed their 80-year-old father when he steps down.

Shepard Stone, of Aspen Institute, Dies

By Dennis Hevesi
New York Times Service

Shepard Stone, 82, who had distinguished careers in journalism, diplomacy and philanthropy, has died of a heart attack. Mr. Stone was stricken while driving from his home in South Newfane, Vermont, to a conference at Dartmouth College in Hanover, New Hampshire.

Mr. Stone retired two years ago as director of the Aspen Institute Berlin, an offshoot of the Aspen Institute for Humanistic Studies in Colorado. He had served in that capacity since 1974. The institutes are nonprofit groups that bring people together to explore a wide range of subjects.

Mr. Stone was a specialist in German studies. When he died Friday morning, he was on his way to a conference at Dartmouth on the recent tumultuous developments in Germany.

He graduated from Dartmouth in 1929 with a history degree, and he earned a doctorate in history from the University of Berlin. Soon afterward, he joined The New York Times, where for the next 16 years, except for a wartime leave, he wrote about foreign affairs and was assistant Sunday editor.

In 1939 he wrote a book, "Shadow Over Europe — The Challenge of Nazi Germany." From 1942 until 1946, Mr. Stone served in the U.S. Army in Europe.

From 1949 to 1952, he was director of public affairs for the U.S. High Commission for Germany, one of the agencies responsible for overseeing postwar affairs there.

Then, in 1953, Mr. Stone was named director of the Ford Foundation's international affairs program and adviser to the foundation's president on foreign affairs. He worked at the foundation until 1968 and also served as a consultant to the U.S. Arms Control and Disarmament Agency.

After leaving the foundation, he became president of the International Association for Cultural Freedom, a group working to promote freedom and human rights.

In 1974, he joined the Aspen Institute Berlin.

Since his retirement in 1988, he had been honorary chairman of the McCloy Scholars Program at the John F. Kennedy School of Government at Harvard.

Nina Hyde, 57, Fashion Editor of Post

Washington Post Service

WASHINGTON — Nina Hyde, 57, the fashion editor of The Washington Post since 1972, who was praised, honored and admired both as a journalist and for the tenacious battle she waged against cancer, died Friday of the disease at Georgetown University Hospital.

In almost 30 years of covering fashion, Mrs. Hyde won recognition for honesty, hard work and high personal standards that, in the words of one commentator, helped bring new credibility to her subject and new dignity to the job of writing about it.

Mrs. Hyde viewed fashion as "another way of looking at ourselves" as individuals and as a society. She viewed her role as that of an interpreter and was concerned about providing her readers with information needed to dress comfortably, practically and stylishly.

In recent years, she inspired admiration for her fortitude as she fought breast cancer and for her efforts on behalf of research and better treatment.

"When I was first told I had breast cancer — after I threw a pen across the newsroom — I decided to keep my problem to myself," she once wrote.

"I was strong — I am strong," she wrote, "and I felt that with the help of my doctor, my family and a very few intimate friends, I could deal with it alone.

"Now I've come to the point where I can talk about my cancer, and I talk a lot."

The statement was prepared for a fund-raising event last year at which the fashion designer Ralph Lauren kicked off a drive to raise $500,000 for a Georgetown University facility to be named the Nina Hyde Center for Breast Cancer Research.

Most of her work appeared in the Post's Style section, but at different times she wrote for almost every other part of the paper. She also produced articles for the National Geographic magazine and contributed the article on French fashion to the National Geographic's edition on France that appeared in July 1989.

As a leading commentator in her field, she lectured at Duke, George Washington, Georgetown and Howard universities and at the Metropolitan Museum of Art in New York.

Hanoi Aide to Visit Europe

Reuters

BANGKOK — Foreign Minister Nguyen Co Thach of Vietnam will visit West Germany, Belgium and Italy from Wednesday through May 19, Hanoi radio said Sunday.

Sir Reginald Goodall, 88, Leading Wagner Interpreter

LONDON (AP) — Sir Reginald Goodall, 88, regarded as Britain's finest conductor of the works of Richard Wagner, died Saturday in a nursing home near Canterbury.

Despite his reputation as an interpreter of Wagner, Sir Reginald was never the principal conductor of a leading orchestra or opera company although he worked with the opera companies at Covent Garden, Glyndebourne, Sadler's Wells and the English and Welsh national companies.

He worked abroad as an assistant to some of the century's greatest conductors, including Wilhelm Furtwängler, Otto Klemperer, Clemens Kranss and Hans Knappertsbusch, and he coached some of the finest Wagnerian singers in Britain, including Gwyneth Jones, Donald McIntyre and David Ward.

THE U.S. & EUROPE:

CONFLICT, COOPERATION OR CRISIS?

INTERNATIONAL HERALD TRIBUNE

EUROPEAN COUNCIL OF AMERICAN CHAMBERS OF COMMERCE

PARIS, JUNE 13 – 15, 1990

JUNE 13

20.00 DINNER
Guest Speaker: **Michel Rocard,** Prime Minister of France

JUNE 14

09.00 CHAIRMEN'S OPENING REMARKS
John F Crawford, President, European Council of American Chambers of Commerce
Lee W Huebner, Publisher, International Herald Tribune

09.15 U.S. KEYNOTE ADDRESS
Roger Porter, Special Assistant to the President for Economic & Domestic Affairs, Washington DC*

10.00 U.S.-EUROPEAN TRADE RELATIONS: THE OPPORTUNITY FOR EXPANSION
Edith Cresson, Minister of European Affairs, France
Ambassador Thomas M Niles, U.S. Representative to the EC

11.00 Coffee

11.30 THE U.S. AND EUROPE: AN INDUSTRY RESPONSE
Percy Barnevik, President & Chief Executive Officer, Asea Brown Boveri Ltd
Henri Martre, Chairman & Chief Executive Officer, Aerospatiale
Chief Executive Officer, Major U.S. Corporation

13.00 Lunch
EUROPEAN SECURITY AND DEFENSE
Jacques Chaban-Delmas, Mayor of Bordeaux, Former Prime Minister, France

15.00 EUROPEAN ECONOMIC AND MONETARY UNION
Jacques de Larosière, Governor, Banque de France
The Rt Hon Sir Michael Palliser, Chairman, Samuel Montagu & Co Ltd
Mario Conde, Chairman, Banco Espanol de Credito

16.45 TRADE AND INVESTMENT FLOWS: WHERE ARE THEY GOING?
Robert D Hormats, Vice Chairman, Goldman, Sachs Int'l
H Onno Ruding, Former Finance Minister, The Netherlands

18.00 Cocktails

JUNE 15

09.00 THE U.S., EASTERN EUROPE AND THE SINGLE MARKET
Vaclav Klaus, Minister of Finance, Czechoslovakia
Hans Tietmeyer, Member of the Board, Deutsche Bundesbank
George Soros, President, Soros Fund Management
Otto Wolff von Amerongen, Chairman, Deutsche Industrie und Handelstag

11.00 Coffee

11.30 STRATEGIES FOR THE NEW SOCIAL EUROPE
Gavin H Laird, General Secretary, Amalgamated Engineering Union, UK
Vasso Papandreou, Commissioner for Industrial Relations and Social Affairs, EC
François Perigot, President, Conseil National du Patronat Français

12.45 Lunch
EC-U.S. 1992: THE WAY AHEAD
The Rt Hon Sir Geoffrey Howe, MP, Deputy Prime Minister, UK

14.45 THE OUTLOOK FOR TRADE RELATIONS AND INDUSTRIAL COOPERATION
Renato Ruggiero, Minister for Foreign Trade, Italy

15.15 THE OUTLOOK FOR INDUSTRIAL COOPERATION: A CORPORATE PERSPECTIVE
Vittorio Cassoni, Group Managing Director, Ing C Olivetti SpA
David E McKinney, Chief Executive Officer, IBM World Trade Europe/Middle East/Africa Corporation

16.15 A JAPANESE VIEW OF U.S.-EUROPEAN RELATIONS
Hisashi Owada, Deputy Minister for Foreign Affairs, Japan

16.45 VALEDICTORY REMARKS
The Rt Hon Dr David Owen, MP, Leader, SDP, UK

17.15 Close of Conference

Moderators:
Axel Krause, Corporate Editor, International Herald Tribune
Charles McC Mathias Jr, Former U.S. Senator
William Pfaff, Author and International Herald Tribune Syndicated Columnist
Ambassador Edward Streator, President, American Chamber of Commerce (UK)

* Subject to Confirmation

REGISTRATION INFORMATION: The fee for the conference is US$1,200.00. This includes the opening dinner, all lunches, cocktails and conference documentation. Fees are payable in advance and will be returned less a US$ 100.00 administration charge for any cancellation received in writing on or before May 30. We regret that there can be no refund should you cancel after May 30. Substitutions can be made at any time. Simultaneous English/French French/English translation will be available throughout the conference.

CONFERENCE LOCATION: The conference will be held at the Hotel Inter-Continental, 3 rue de Castiglione, 75001 Paris, France.

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Rebuking de Klerk, Botha Quits Party

Compiled by Our Staff From Dispatches

JOHANNESBURG — Former President Pieter W. Botha said Sunday that he had resigned from South Africa's governing National Party to protest the program of change espoused by his successor, Frederik W. de Klerk.

Mr. Botha, 74, was reported by the newspaper Rapport as saying that he could not stay in the party that he led for more than a decade because Mr. de Klerk was selling out the whites.

"The road the National Party is now taking is the road of gradual abdication," he said. He said he had allowed his membership of 50 years to lapse.

He said the final straw had been the inclusion of the country's Communist Party leader, Joe Slovo, in the African National Congress delegation met last week with the government on eventual black-white power sharing. The talks ended Friday with broad agreement on dismantling the final obstacles to detailed negotiations on a post-apartheid constitution.

Mr. Slovo, who returned home last week after decades in exile, commanded the ANC military wing that waged a 30-year guerrilla war against white-minority rule.

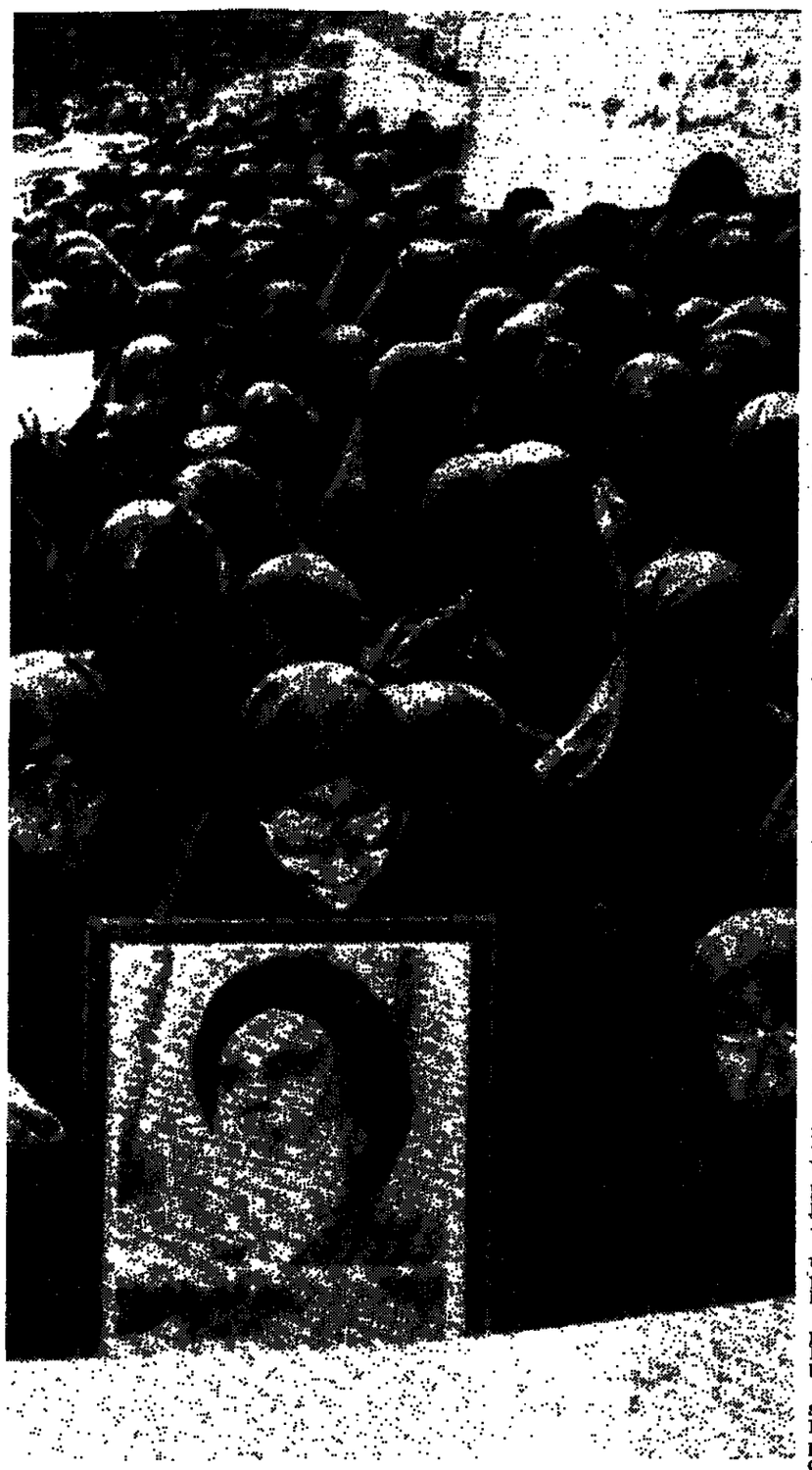
On Sunday, a crowd of about 30,000 cheered Mr. Mandela and Mr. Slovo as they entered a stadium near the black township of Soweto, southwest of Johannesburg, for a meeting of the ANC and the Communist Party.

Mr. Mandela announced last week that the ANC had agreed "to look very hard and very earnestly into the whole question of the armed struggle," hinting that his movement might suspend its military option in the near future.

But on Sunday, a pamphlet distributed at and near the stadium "on behalf of ANC and Umkhonto we Sizwe underground units" said: "We have no choice but to continue fighting, weapons in hand!" Umkhonto we Sizwe, or Spear of the Nation, is the ANC's military wing.

"We call upon all our people, especially the youth, to ensure that every corner of the country becomes a battleground, every street a trench and every house a base," the tract said.

The crowd on Sunday was about a quarter the size of the one that turned out to hear Mr. Mandela on Feb. 13, two days after Mr. de Klerk freed him after nearly 27 years in prison. *(Reuters, AFP)*



The Associated Press

ANTI-AMERICANISM IN TEHRAN — Women carrying a picture of Ayatollah Ruhollah Khomeini as they vowed Sunday to continue their battle against the United States, the "big Satan."

Reed Tells of Severe Beatings

Assaults Followed Escape Attempts, Freed Hostage Says

The Associated Press

ARLINGTON, Virginia — A freed American hostage said Sunday that his Islamic kidnappers beat him, broke his nose and his jaw and tried to break his feet after he was captured trying to escape two different times.

"The first time I spent four days in hell," the former hostage, Frank Herbert Reed, said at a news conference. "Thank God they didn't kill me."

Mr. Reed said he was hit more than 200 times on his head and body and that he was beaten on the legs with a heavy rod.

He said he had been chained either to a wall or a radiator during his nearly 44 months in captivity. He said he and other hostages slept on thin foam-rubber mattresses.

Mr. Reed said that for much of the time he was blindfolded 24 hours a day. "We slept with our blindfolds on," he said.

The 57-year-old educator said that at one point he drew a picture of his son, Tarek, now 9, on the back of the door so that his captors would not see it, and a picture of his wife on the ceiling above his bed.

He said that another American hostage, Terry A. Anderson, looked in good shape physically. He did not say when he had seen Mr. Anderson, who has been held captive more than five years.

Mr. Reed said he was in solitary confinement for at least two years.

He said that two fellow captives, John McCarthy and Brian Keenan, were kept together and were in good physical condition.

"They've been fortunate," Mr. Reed said. "I spent probably two years, two and a half years in solitary confinement while they were fortunate to have the two of them together at all times." He said Mr. McCarthy and Mr. Keenan developed "one of the unique relationships in the history of human relationships."

Mr. Reed talked with reporters after he joined other former hostages and their families for a reunion at a hotel in Arlington, a Washington suburb.

Mr. Reed, speaking of Mr. McCarthy and Mr. Keenan, said that "both of them physically, in terms of muscle development, are probably in the best shape they've ever been in in their lives."

"They have been doing an excessive number of push-ups and sit-ups and any kind of exercise at all," he said. "In fact, I looked at John the other day and he looked beautiful. I wished I looked like he does."

Mr. Keenan, 39, an Irish teacher of English at the American University of Beirut, was kidnapped April 11, 1986. Six days later, Mr. McCarthy, a 33-year-old British television journalist, was abducted.

Mr. Reed's doctors reported Saturday that they were pleased with how he looked even though his weight had dropped from 185 pounds (84 kilograms) to 140. Doctors said their early evaluations were good and that they expected Mr. Reed to remain at the medical center at Andrews Air Force Base in Maryland until about the end of the week.

Baker Invites Poland to July Talks On Guarantees of German Borders

Reuters

WARSAW — Secretary of State James A. Baker 3d invited Polish officials Sunday to join a July meeting to discuss guarantees for Polish-German borders.

Mr. Baker's visit to Warsaw followed the opening of the Two-plus-Four talks Saturday in Bonn. The talks were held by the foreign ministers of East and West Germany and the World War II victors — the United States, the Soviet Union, Britain and France.

He brought the Polish government a letter from Foreign Minister Hans-Dietrich Genscher of West Germany on behalf of all six participants, inviting Poland to join a Two-plus-Four session in Paris in July on the border issue.

Poland is seeking a treaty with a united Germany to guarantee its present territory, which includes large prewar German territories.

A Polish official predicted completion by July of talks between Poland and the two Germanys on a border treaty proposed by Poland.

Mr. Baker said his visit to Warsaw was meant to reassure the Poles that their interests would be properly represented during discussions of the external implications of German reunification.

"The Poles have the feeling that great decisions are being made around them," a State Department official said on Mr. Baker's Warsaw flight. "There is a tremendous feeling on the part of the Poles that they need to be listened to."

Mr. Baker briefed President Wojciech Jaruzelski, Prime Minister Tadeusz Mazowiecki and Foreign Minister Krzysztof Skubiszewski as well as the Solidarity leader, Lech Walesa, during his six-hour visit before flying to Washington.

Mr. Skubiszewski expressed Poland's "sincere thanks" for Washington's role in securing its invitation to the Two-plus-Four talks, but Mr. Mazowiecki said Poland intended to raise more than the border issue.

Polish officials have indicated that Warsaw wants a say in security arrangements such as the stationing of foreign troops in Germany on the grounds that this would affect the role of 50,000 Soviet troops now based in Poland.

Mr. Mazowiecki said that securing a treaty guaranteeing the postwar frontiers was the most important issue for Poland.

"But this has different implications, and it is very difficult for us to restrict ourselves just to this," he said. "So we are going to talk about *everything that concerns our security.*"

Mr. Baker's visit to Warsaw was the last stop on a five-day European tour that included meetings with leaders of the European Community and the North Atlantic Treaty Organization.

Only Mr. Walesa appeared to disagree with him publicly. The Solidarity leader expressed doubts about settling the German issue at a restricted forum like the Two-plus-Four talks.

"All European states should take responsibility for peace and stability in Europe," Mr. Walesa said as he met Mr. Baker at the residence of the U.S. ambassador, John R. Davis Jr.

He added: "Of course you can start with a smaller group because it works out faster this way, but ultimately all Europe and other countries of the world should take responsibility."

Brecht Grave Is Vandalized

Reuters

BERLIN — Vandals spray-painted anti-Semitic slogans at the East Berlin graves of the German playwright Bertolt Brecht and his actress wife, Helene Weigel, the city's Brecht Center said Saturday. *Mr. Brecht, who died in 1956, was* not Jewish, but his wife was.

GENES: *Tree of Life Gets a Shake*

(Continued from page 1)

was the province of anatomists and paleontologists peering at fossils and preserved animals.

Traditional evolution research proceeded by identifying anatomical traits that different species shared — the shapes of bones, for example. The more similar the forms, the more closely related the species were presumed to be.

The molecular approach compares more fundamental characteristics: the genetic signals that determine the anatomical differences.

In principle, comparing genes is like comparing sentences of English. Both English and the genetic language are written as a sequence of units — the 26 letters of English and the four molecules that make up genes, often designated A, T, G and C. The letters of the genetic alphabet are the initials of the molecules' names. Each gene can be represented as a specific sequence of these four letters, which are called "bases." Most genes are hundreds or thousands of bases long.

Evolution occurs when a gene's sequence of bases is altered — usually as the result of an error when the genes are being duplicated for cell division.

In most cases, genetic comparisons agree well with the evolutionary relationships that generations of biologists have inferred from gross anatomy. But the genetic method is now generally accepted as so much more precise and widely applicable that it is becoming the standard for determining evolutionary relationships.

Much of the boom in the field can be traced to the invention a few years ago of a technology called "polymerase chain reaction." It allows researchers to take a single copy of any gene — including one taken from a long-dead plant or animal — and make thousands of copies in a few hours. Since many copies of a gene are needed for analysis, polymerase chain reaction makes it possible to analyze genes that are in scarce supply.

Today, scientists studying molecular evolution can rapidly perform the tests needed to isolate genes and determine their sequences. They then feed that information into computer programs that deduce evolutionary "trees," showing how living organisms are related — even those as dissimilar as a bacterium, a corn plant, a clam and a human.

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As Economic Competitors, Asians Rearm

By Steven Erlanger
New York Times Service

BANGKOK — With the bumbling of Vietnam in Cambodia, political tensions in Southeast Asia have been significantly reduced. But an arms race in the Asian and Pacific region is eating up potential benefits from peace.

With a growing economic competition for fish, petroleum and gas, all the countries of the Association of Southeast Asian Nations — Brunei, Indonesia, Malaysia, Singapore, Thailand and the Philippines — are seeking ways to extend their power beyond the outer reaches of their territorial waters.

That includes areas like the Spratly Islands, which are the subject of claims from China, Taiwan, Malaysia and the Philippines.

The region's expansionism involves heavy capital investment in ships and planes; it coincides with an expensive modernization of forces after a long period of concentration on fighting rebellions.

The countries of ASEAN, as well as Japan, South Korea and Taiwan, will spend about $40 billion this year on the military. Add China, India and Australia, and the figure is $60 billion. By the end of this decade, analysts expect it to reach $130 billion.

The ASEAN countries have had to deal with leftist insurgencies, but except for the one in the Philippines these rebellions have been smothered.

This has created the stability necessary for current economic development, says Kusuma Snitwongse, head of the Institute of Strategic and International Studies at Thailand's Chulalongkorn University, and has also allowed a reorganization of armies to deal with external threats.

The trend of army reorganization was accelerated by the Vietnamese occupation of Cambodia, which brought Vietnamese troops to the Thai border and gave the Soviet Union and China more excuses to involve themselves in the region.

But now that the Vietnamese have largely returned home, Mrs. Knsuma said, "there is at the same time a demand for better and more modern arms, especially for the air force and the navy."

Noordin Sopiee, director of Malaysia's Institute of Strategic and International Studies, said that throughout Southeast Asia, "border concerns" were being replaced by "territorial concerns."

The Thai military budget provides a good example of what is happening. Despite severe cuts in U.S. arms aid — from $102.3 million in 1985 to $5.2 million now — the Thai arms budget this year will be $2.1 billion, up 16 percent from last year.

The Malaysian military budget has grown, along with the economy, by 20 percent over the last two years, diplomats said.

But that does not reflect a $1.6 billion Malaysian memorandum of understanding, signed with Britain in September 1988, for the purchase of 8 to 12 Tornado fighters, as well as anti-aircraft missiles, naval corvettes and possibly submarines.

Singapore continues to spend about $1.5 billion a year on arms — 23 percent of its budget and 5.5 percent of its gross national product. Although Singapore says it models itself on Switzerland in seeking only deterrence, its advanced weapons, including American F-16 fighters, provide reach far beyond its borders.

Even Brunei is extending its armed forces, to ensure the security of its oilfields and territorial waters. It is buying patrol boats, along with its first fixed-wing combat aircraft. 16 British Aerospace Hawks.

If Vietnam and China start fighting again over the Spratlys, which most diplomats regard as inevitable, then Brunei wants to be sure there is no spillover.

In Indonesia, tight military budgets have slowed planned modernization, especially the purchase of naval patrol vessels and aircraft to defend extensive territorial waters.

For that reason, Indonesia, like other ASEAN countries, wants U.S. forces to retain their bases in the Philippines, at least for the next 5 to 10 years.

The Philippine military, coping with an insurgency and its internal divisions about President Corazon C. Aquino, is aware that it cannot defend its waters without U.S. aid. It will argue to retain the bases.

SECRETS: *U.S. Paid Ceausescu Brothers for Soviet Military Technology*

(Continued from page 1)

said. "It was an indication of the corruption of the Ceausescus. From the U.S. standpoint, we didn't really care whom we dealt with if they could produce."

U.S. officials say they had no contact with the Romanians in the transactions. Instead, they advanced funds to as many as a half dozen intermediaries, who then arranged the deals on their own through the Ceausescu brothers.

None of the intermediaries were U.S. citizens. Because the U.S. officials had no control over the money once they paid the intermediaries, they believed that the arrangement did not violate the Foreign Corrupt Practices Act, which prohibits Americans from paying illegal sales commissions to foreign officials.

Marin Ceausescu's trade post in Vienna gave him a plausible cover for his contacts with the West.

"He was the commercial path that you'd connect back into the bureaucracy," an intelligence source said. "He's the guy that made it happen."

Ilie Ceausescu, as deputy defense minister and chief of the main political directorate of the Romanian military, had the clout inside Romania to obtain much of the sensitive technology the U.S. government wanted to acquire.

A special aide to Nicolae Ceausescu, identified by two sources as Stalian Octovian Andronic, flew to Switzerland on a regular basis and coordinated the diversion of a portion of the payments to the family's secret bank accounts, the sources said. The rest of the money went to a Romanian military agency, Romtechnica, in Bucharest, they said.

Nicolae Ceausescu, at his chaotic trial in December, emphatically denied the existence of any such secret bank accounts, and since his execution the whereabouts of the family wealth has been a mystery. This is the first indication that U.S. government funds ended up in some Swiss accounts held by the Ceausescus.

The Romanian shipments, carried on foreign-flag freighters, typically left from the port of Constanza on the Black Sea. Officials of third countries, including Soviet Middle East allies, sometimes agreed, for a fee, to provide end-user certificates showing their country as ultimate destination for the arms headed for the West.

In the late 1970s, the tactical weapon that U.S. officials wanted to see most was the Soviet T-72 tank, a 45-ton machine that had been deployed only a few years before. Marin, contacted first, brought his brother, Ilie, a rising military and party official, into the negotiations. Ilie is said to have worked for about a year in 1980 and 1981 on a delivery.

The Romanians set two important conditions. They demanded that the foreign intermediaries deposit about 20 percent of the proposed $15 million into Swiss bank accounts controlled by the Ceausescus. They also asked for — and received — an extraordinary promise from high-level U.S. officials: that the United States would guarantee safe passage for the two Ceausescu brothers and several others if the deal became public and they had to be made into scapegoats to save Nicolae Ceausescu's regime.

The T-72 deal failed at the last minute, but the year of work was significant nonetheless. The United States, through its intermediaries, now had its first direct working relationship with Ilie Ceausescu.

Latvian Leaders Move to Mollify Moscow

By Esther Fein
New York Times Service

MOSCOW — The Latvian president, Anatolijs V. Gorbunovs, tried Sunday to strike a conciliatory tone with Moscow by saying that his republic would not suspend the Soviet Constitution during its quest for independence from Moscow.

Mr. Gorbunovs emphasized that the leaders of Latvia did not believe that their declaration of independence closed the door to a dialogue with Moscow, and he said that no new constitution or laws would be passed without extensive input from all people in the republic.

In a sign that the Kremlin regards the route to independence chosen by Latvia to be different from those chosen by Lithuania and Estonia, the main evening news program Sunday night showed extensive excerpts of the appeal by Mr. Gorbunovs, which was broadcast in full on Latvian television.

The presidents of Lithuania and Estonia were not given similar forums to explain the decisions by their parliaments to break away from the Soviet Union.

The unusual air-time given the Latvian leader comes a day after President Mikhail S. Gorbachev was reported to have said that Latvia's declaration violated the Soviet Constitution and could provoke economic or political reprisals.

Mr. Gorbachev's disapproval was voiced in a telephone conversation with the head of the anti-independence faction of the Latvian Communist Party, Alfred P. Rubiks, who conveyed the Soviet leader's comments in an interview on Latvian television.

Mr. Gorbunovs said Sunday night that "the declaration adopted by the Supreme Soviet of the Republic does not close the door either for dialogue within the republic or for dialogue with Moscow."

In its declaration, adopted Friday, the Latvian parliament seemed to make a point of appeasing Moscow by leaving the Soviet Constitution and legal system basically in force during an undefined transition period.

Both Estonia and Lithuania invoked Moscow's anger by suspending the Soviet Constitution as part of their independence plans.

Members of the Latvian leadership said Sunday that they did not consider Mr. Rubiks's comments about his telephone talk with Mr. Gorbachev to be an official response to their declaration from the Kremlin, and Mr. Gorbunovs did not mention the conversation in his television address.

Dainis Ivans, first deputy chairman of the Latvian parliament and leader of the pro-independence Popular Front, said Sunday that Mr. Rubiks was not a member of the government and that, as a self-declared opponent of independence, he was "an unreliable messenger."

"We doubt very much that Gorbachev has received our official documents about the decisions of the parliament and we do not consider this to be the Kremlin's official answer," Mr. Ivans said. "We know there will be some disagreements with Moscow, but those must be discussed on an official level, not through hearsay and innuendo."

Latvia has been treading more cautiously than the other two Baltic republics in working out a method for achieving independence, largely because nearly half of its population is non-Latvian.

The Latvian declaration seemed purposely ambiguous about precisely what authority the Soviet Constitution would have in the republic until full independence could be realized.

The declaration adopts the constitution of the independent Latvian republic of 1922, but suspends that constitution pending revision and parliamentary passage except for four articles supporting the republic's sovereignty.

U.S. Bidder Pays Dear For Vintage Sauternes

Reuters

MONTE CARLO — An anonymous American bought 100 bottles of the renowned French sauternes Château d'Yquem on Sunday for 950,000 francs ($167,000). Experts said it was one of the highest prices ever for a collection of fine wine.

The bottles, dating from as early as 1858 and owned by a private French collector, were acquired by a telephone bidder at an auction in Monaco. Château d'Yquem is famed for fruity, sweet sauternes.

SOVIETS: *NATO Ministers Fear Soviet Union May Be Nearing Collapse*

(Continued from page 1)

positioned to push through the radical reforms he has so often extolled in the last six months."

"The irony," Mr. Baker continued, "is that while Gorbachev may finally be able to push through radical reform, right now he may be reluctant to act, increasingly fearful that real reform could lead to a genuine implosion from below. In light of these Soviet domestic realities, I suspect we are in for an uncertain two months until the Soviet party congress can clarify perestroika's political prospects more definitively."

The Soviet leader, who a year ago was seen as a heroic figure in Europe, paving the way for the revolutions of 1989 and overshadowing every other leader on the world stage, is viewed increasingly among NATO officials with pity, as an enormously capable man devoured by the very revolution that he set in motion.

Joseph S. Nye, an international-affairs expert at Harvard University, said the NATO allies were recognizing that the excitement around the globe engendered by Mr. Gorbachev's initiatives had obscured the degree to which his actions at home were making the situation there steadily worse, and ultimately constricting what he could do abroad.

But the problems are no longer obscured.

The upsurge in nationalist tensions, the secession efforts by the Baltic republics, estimates by the CIA that the Soviet economy is in an "abysmal" state, and the scenes of Mr. Gorbachev being booed at this year's May Day parade, have altered NATO's perception of the Soviet leader's prospects for success, and altered in some ways NATO's own agenda.

"The key issue for the West today is how do we manage the decline of the Soviet Union in a way that ensures that our interests will be protected and advanced," Mr. Nye said.

He said the NATO allies have not pressed Mr. Gorbachev on Lithuania and have been trying to make the prospect of German reunification and of membership in NATO as politically and militarily palatable to him as possible out of concern that if they push him too far "you could push him right over a cliff" before he is able to complete the current round of arms control negotiations.

After Mr. Baker's three-hour talk in Bonn on Friday with the Soviet foreign minister, Eduard A. Shevardnadze, U.S. officials were still in doubt about whether the Kremlin would be able to overcome the obstacles in the way of a strategic arms limitation treaty and a conventional arms limitation treaty.

Yet, few in NATO would write off Gorbachev.

"The nature of his problems are now more apparent," the State Department official said.

"But anyone who is quick to count him out would be making a big mistake. He is still Gorbachev, with everything that means. There is also no one around with the strength to replace him. I still think he will make the arms control decisions, but the push is going to have to come from us. He has not lost the ability to make decisions, it is just that the number he has to make now tend to crowd out some of those that we are most interested in."

UNITY: *Last Hurdle Lifted, Kohl Says as Talks Begin*

(Continued from page 1)

the West that emerged from the talks was the scope of the talks.

The Western position was that the Allies were meeting only, as Mr. Baker put it, "to arrive at a formula by which we will terminate and transfer all remaining Four Power rights and responsibilities to a fully sovereign Germany."

Other issues, such as military and security structures in the Germany and the Europe of the future, could be discussed, but on these the Two-plus-Four talks should function only as a "steering committee," channeling the issues to appropriate forums, he said.

Mr. Shevardnadze held that the participants in the talks must adopt what he called a "package approach."

There will be no agreement, he said, until the participants resolve all the ramifications of reunification. These include, he said, the military status and the military forces of the united Germany, the presence of foreign forces on German soil, German renunciation of atomic, bacteriological and chemical weapons and renunciation of fascist ideology.

"We believe that it would be in the interests of Germany itself if the termination of Four Power rights would be the culminating step in German unification," Mr. Shevardnadze said.

He reiterated the Soviet position that Europe had to move toward broad new European security structures to replace the military blocs.

Officials from all sides stressed that the ministers had found no disagreement on the principal business of the day, the agenda for their talks. This included:

- The borders of a future Germany, which all the participants agreed would be the territory of West Germany, East Germany, and Berlin, "no more, no less."
- Political-military questions, an area likely to produce the most serious disagreements.
- Ending the Four Powers' authority over Berlin.
- Preparing a settlement under international law under which the Four Powers would terminate their rights and responsibilities for Germany.

Moscow at one point had indicated that it might hold out for a formal peace treaty, which the Germans resist, but Mr. Shevardnadze signaled that Moscow would settle for a less formal "final settlement" with the Four Powers.

(Reuters, NYT)

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Croatia Runoff Seen as Landslide For Nationalists

Reuters

ZAGREB, Yugoslavia — Croatia voted Sunday in the second round of a parliamentary election that is almost certain to give nationalists a landslide victory over the ruling Communists.

Some 3.5 million voters cast ballots for 225 unfilled places in the 356-seat regional parliament in Croatia, Yugoslavia's second-largest republic and one of its centers of power. Final results were not expected until midweek.

The Croatian Democratic Union, a rightist party seeking to loosen the union of Yugoslavian republics and provinces, won 104 seats outright in the first round two weeks ago. The Communists won 13 seats, and smaller parties got 14.

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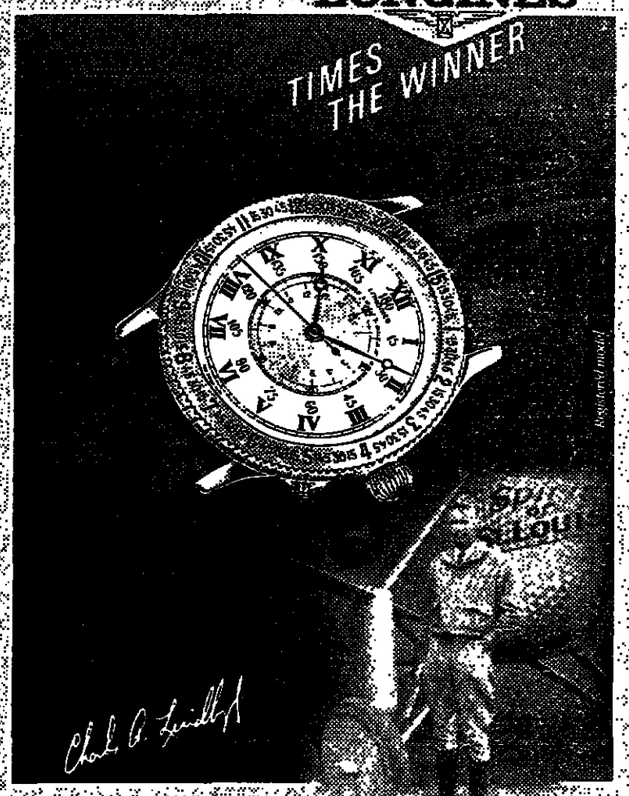

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16 Over again
17 Den
18 Hepburn, to Bogart, in "The African Queen"
19 Neither's partner
20 He made 'em laugh
22 Diagrams
24 Sweetie
25 Also-ran
28 "You —— to Me," 1952 song
33 Kind of bear
36 Big rig
38 Sheltered, at sea
39 S/he makes 'em laugh
42 "Look ——, I'm as restless . . ."
43 Tatum's dad
44 Take as one's own
45 Pick of the litter?
47 Glue
49 So-so grade
51 Forward pass
55 S/he makes 'em laugh
61 Charlotte of TV
62 "Let's Make ——"
63 Hayseed
64 Rustic dance hall
65 Stiller's partner
66 Secondhand
67 Like —— of bricks
68 Doll material
69 Timid
70 Refute

DOWN

1 Trolley sound
2 Great respect
3 Vehicle for Domingo
4 Seat in a basilica
5 Kaneohe cookout
6 Muslim ruler
7 Pullman bed
8 Cool, calm and collected
9 Famous cookie man
10 It makes a suit into a three-piece outfit
11 Scene of Perry's victory: 1813
12 S/he makes blue jeans blue
14 Dental cord
20 Uke strummer's creation
21 Songwriter Antonio Carlos ——
23 Made smooth, as a wood surface
26 Catch sight of
27 News summary
29 House painter's need
30 Medley
31 Kind of tide
32 Chap
33 Jr.'s special exam
34 Director Preminger
35 Desk light
37 "—— Lisa"
40 Entreats
41 Like Baby Bear's porridge
46 Of the eye
48 —— wood (snored)
50 Shades of beige
52 Mad as hops
53 Slugger Hank
54 —— Bruce, memorable comic
55 Kid's summer home
56 Thought
57 Harvest
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64 Naughty

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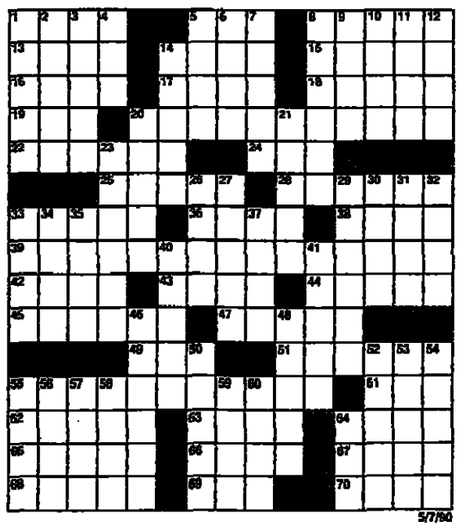

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CHALLENGING A LEGACY: Gaullist dogma, now ossified, seems increasingly out of touch with French interests

Respect for 'Russians,' Disdain for 'Soviets'

By Jean Lacouture
International Herald Tribune

At the end of May, 1935, Lieutenant Colonel Charles de Gaulle wrote to his mother, who was frightened by the pact that the head of the French government, Pierre Laval, had just signed with Stalin.

"We are rapidly approaching war with Germany," he wrote, adding: "It is a matter of survival. We do not have the means to refuse the cooperation of the Russians, no matter how horrified we might be by their regime."

Six years later, when Hitler assaulted his ally Stalin on June 21, 1941, General de Gaulle sent to the Free French propaganda services in London a note in which he declared: "Without debating the vice and crimes of the Soviet regime, we are unreservedly on the side of the Russians, as they are fighting the Germans."

The vocabulary is striking: De Gaulle prefers "the Russians" to "the Soviet Union." More than that, he refers to "the Soviets" or the Soviet Union only when he denounces the crimes of totalitarianism; when it comes to the alliance, to cooperation or even normal diplomatic relations, it is "Russia" that flows from his pen. From these distractions and substitutions emerges the basic line of de Gaulle's attitudes toward Moscow.

The head of the Free French was a historian above all. In his eyes, the modern history of France has been dominated by the conflict between Gauls and Germans whose superior power can be met only by entering into alliances with the East, notably with the Slavs. He has not forgotten that France was able to hold the Marne in 1914 only because half of the German armies were busy defeating the czar at Tannenberg. Hence the vital importance that he attaches to the alliance with Moscow, whatever the regime.

De Gaulle, moreover, held on to one certainty: The only effective force in the international arena is the nation, not ideology. To him, communism and fascism were transitory phenomena — disguises hiding Germanism, Slavism or any other form of national imperialism.

The rule of the prime importance of the nation, according to him, was confirmed in August 1914, when the working classes of Germany and France followed the appeals of their national leaders rather than those of Karl Liebknecht and Jean Jaurès. Similarly, the Soviet Union, on the brink of defeat in 1941, stood firm on the Volga and reversed the course of the war in response to Stalin's invocation of Peter the Great and Marshal Mikhail Kutuzov, hero of the resistance to Napoleon.

The wartime alliance with Stalin and the French Communist Party thus seemed natural to de Gaulle. This alliance went further than is generally thought: On June 6, 1942, exasperated by his disagreements with Churchill over Madagascar, de Gaulle asked Alexander Bogomolov, the Soviet representative to the Free French who had previously held the same position in Vichy, whether the Soviet government would be willing to offer its hospitality to him and to his movement as he had lost faith in His Majesty's government. Some time later he contemplated sending two of the French divisions that were fighting at the side of the British to the Soviet Front, where they would have joined the French Air Force squadron Normandie-Niemen. In the same period, in London, he received an official representative of the French Communist Party, Fernand Grenier, who later became one of the first members of his party to join the French government in Algiers.

Cooperation on precise objectives with French or foreign Communists did not embarrass de Gaulle, convinced as he was that these men had been driven to become Marxists and members of the Comintern because of the trials that the proletariat had suffered and that, therefore, they would ultimately rejoin the fold of the nation — not unlike the Jacobins of 1793 and the Communards of 1871.

In Moscow in December 1944, Stalin made it clear to de Gaulle that the Free French movement had no more weight than its few divisions and that he, de Gaulle, was of interest only as a powerless guarantor of Poland or as an accomplice to its destruction. That encounter was a bitter experience but it was not enough to distract the general from his cooperation with the French Communists: For 13 months first five and then six Communist party members were ministers in his government, and some of them, including Maurice Thorez, he held in high esteem.

Reuters-UPI

De Gaulle with Stalin in Moscow watching V.M. Molotov sign the Treaty of Alliance and Mutual Assistance on Dec. 10, 1944.

Was de Gaulle naive about the Communists? Certainly not. His basic anti-Marxism, which was based on his refusal to recognize the prime importance of class warfare, was apt to re-emerge at any moment. As soon as "his" Communists of the wartime period revealed the depth of their attachment to Moscow, during the Cold War, he denounced them as "separatists" and the worst possible part of the human race, namely people who had detached themselves from the nation.

As soon as Moscow stopped being the citadel of anti-fascism and became the home of a new imperialism, de Gaulle saw nothing but "cossacks" ready to assault France. No statesman was more ardent in denouncing the domestication of Eastern Europe, welcoming the Atlantic pact, supporting General MacArthur's landing in Korea and encouraging the French military against the Vietminh in Indo-China. And his reactions to the Berlin blockade and the missile crisis of Cuba are well remembered.

On each of these occasions, what was at issue for de Gaulle was not communism but a many-sided imperialism to which he reacted as a global strategist. Russians here, Chinese there, a big power trying to break the balance of power which alone can safeguard the peace. And where are the ideologies?

No dialogue has revealed de Gaulle as accurately as the one he held as head of government with John Foster Dulles on July 5, 1958. It was a magnificent encounter of a puritan crusader with a Machiavellian Catholic, as Ambassador Hervé Alphand described it: "Dulles declared that the world was divided into two blocs, the good liberals of the West and the bad Communists. To which de Gaulle answered that the ideological contradictions between communism and capitalism were far less important than those between the nations. I had never heard so clear-cut a confrontation between the two concepts with all it implied for the future of our relations with the Soviet Union and China."

When de Gaulle chose the creation of a "Europe from the Atlantic to the Urals" as his objective, he did more than dream about themes combining geography and his beloved history. He expressed a conviction that he held very strongly: that the Iron Curtain was artificial and therefore fragile; that the ideology linking the 10 nations of the so-called Eastern bloc was about to wear off, and that sooner or later Russia, Poland and Hungary were going to re-appear as independent national entities. His concept was to offer to these nations an equitable interstate framework that might save Europe from falling back into the chaos from which the two world wars arose.

The vision of an addict of history who studied Richelieu and Metternich? Or the prophecy of a builder of post-Marxism?

It is difficult to guess what kind of relations de Gaulle, the interlocutor of Stalin, Khrushchev and Brezhnev, would want to entertain with a "Russia" that is emerging from the ideological magma of the past.

What is clear is that his entire diplomatic strategy from 1958 to 1969 tended to evolve in a perspective which, two decades later, is now taking shape before our eyes: that of a Russia which is no longer controlling a herd of parties but is trying to slow down the break-away of the restive nations under its hegemony.

We may see de Gaulle's diplomatic testimony in his press conference of Sept. 9, 1968, in which he described the repression of the Prague Spring as a "temporary setback" and declared: "The evolution of Eastern Europe is inevitable. It is too late for any ideology, including communism, to triumph over national feeling."

De Gaulle held on to one certainty: The only effective force in the international arena is the nation, not ideology. To him, communism and fascism were transitory phenomena — disguises hiding Germanism, Slavism or any other form of national imperialism.

Mr. Lacouture, journalist and de Gaulle biographer, wrote this for the International Herald Tribune.

As 'Escape From Yalta' Came to Pass, a Strategy For Germany Crumbled

By Michael Stürmer
International Herald Tribune

It is commonplace to say that de Gaulle had a sense of history. The general, even at the rank of captain in German captivity during World War I, never had any doubt that he had a historic mission in the service of his country. His famous phrase "*une certaine idée de la France*" included a certain place for Charles de Gaulle.

After he had become chief of state, he never ceased to plead for an "escape from Yalta." When this finally happened in the revolutions of 1989, the results in European power politics exposed the fundamental contradictions in de Gaulle's legacy for France, Germany and Europe.

One hundred years after de Gaulle was born and almost 20 years after his death, France's worst fear is that Germany might flatter her by imitation: Bid farewell to the Americans, look for nuclear weapons, neglect conventional defense and build up an oversized arms industry while dreaming of a full-fledged defense — not to speak of the wilder scenarios of neutrality now pushed by the Russians and pursued by the far right and, even more so, the far left in Germany. The European Community that de Gaulle almost brought to paralysis by refusing entry to Britain is now the most important framework for Paris to keep the future united Germany on the track of virtuous Europeanism. And if NATO did not already exist, it would have to be invented by the French if only to absorb Germany's energies, reassure France and allay her unspoken fears.

De Gaulle wrote masterful memoirs, thus making sure that posterity would see him the way he wanted to be seen. No reader can fail to be impressed by the three nightmares that beset the general's view of history, including not only the past but also the present and the future.

First, the German nightmare, dating from 1870, and extending through the catastrophic victory of 1918 and to the collapse of France in 1940. Of course the General would have acknowledged that he owed his historic role to this nightmare and its reality. Without both, "*l'homme du 18 juin*" would have been little beyond a voice crying in the wilderness for modern tank warfare and a more aggressive defense posture. Even in 1945, the German nightmare was not over. To allay France's fears once and for all, de Gaulle asked for the left bank of the Rhine and a share of control over the Ruhr. But history and the Americans denied his wishes.

Second, the Russian nightmare. It began in 1917, when revolutionary Russia went on her knees and negotiated the separate peace with imperial Germany. After the emergence of the Weimar Republic, the Russian-German nightmare continued in 1922 with the Rapallo accord between Europe's two pariah-powers. It was to upset the Versailles system and France's Little Entente. This revisionism turned into a revolution of the European system in 1939 with the Hitler-Molotov Pact, leading directly to the catastrophe of France's Third Republic and to the regime of Vichy. In 1945, de Gaulle would not exclude the return of the past and the possibility that Stalin would take control of the whole of Germany and that the Red Army would appear just opposite Strasbourg. So de Gaulle went to Moscow in December 1944 to conclude "*la bonne et belle alliance*" to restore the glories of the late 19th-century Franco-Russian alliance against Germany and exorcise, at the same time, the specter of a Communist putsch at home.

Third, the Anglo-Saxon nightmare. It dated from the U.S. withdrawal from Europe in 1920 and the subsequent British support for Germany and her revisionism that had forced the French victors of 1918 to hide behind the Maginot Line only a decade later. This trauma was brought back by the events of 1940, when the British came late and in small numbers, only to save their skin at Dunkirk in that cursed June 1940. After the disaster, instead of treating the general kindly as the authentic voice of the real France, Churchill and Roosevelt placed him on the margins of the victors' camp. They even neglected to invite him to the conference tables at Tehran, Yalta and Potsdam. Had it not been for Churchill's fear of Russia's imperialism and America's isolationism, France would perhaps have been put in the same class as postwar Poland when the Big Three came together. The wrath of de Gaulle over Yalta is easy to understand, and neither the British nor the Americans were ever forgiven for their reluctance to accept France as a victor after saving her from Germany.

Three times in his career the general surprised friends and foes alike by a forward flight, and every time there was a German connection.

In 1944 he directed the 2d Armored Division, France's only big military asset, away from the slow moving columns of the U.S. advance in order to liberate Paris from German occupation and preempt a Communist take-over of the capital.

After 1958, when de Gaulle had been called back from his hermitage in Colombey-les-Deux-Eglises to wind-up the Fourth Republic and save the French empire, he forced the French Army to give up North Africa in good grace. In doing so, he braved more than one military coup. For compensation, he secured for France, after the fall of the empire, the independent nuclear deterrent. That made France a little less dependent on her allies and gave de Gaulle a little revenge for what had happened in London and Algiers 20 years before. It also put France in a political class far above the status of divided Germany.

In 1963, the general, then at the height of control, pushed forward a new entente cordiale, this time with West Germany and Chancellor Adenauer — who, unfortunately, was no longer at the height of his influence. But de Gaulle asked too much of the Germans. He wanted German loyalty to France but failed to offer European union to the Germans. He proposed a European defense role but refused to share France's nuclear umbrella. And he wanted to weaken NATO and U.S. predominance without offering the Germans the reassurance they could get from nowhere else. Small wonder that the German Bundestag put a preamble in front of the Franco-German accord that in no uncertain terms reaffirmed the preeminence of Atlanticism over de Gaulle's vision of French-dominated Europe. De Gaulle reacted in anger and left the military establishment of NATO — unwittingly making Germany even more important as the Americans' key ally on the European continent.

Ever since, the general has cast a powerful shadow over Franco-German relations. Every successor in Paris, left or right, has reaffirmed de Gaulle's gospel. At the same time, France has had to accept that, given the rise of the Federal Republic of Germany to the focal position in European politics and, by now, of the united Germany to economic and monetary predominance, French control is declining. As a currency of power, nuclear weapons are becoming less important than Germany's less martial arts. In addition, if in the future the two superpowers continue to be serious about arms control and make an arsenal of 2,000 warheads on each side the basis of the new world balance, France's role will be even more difficult.

"It's a psychiatrist's work that's required," de Gaulle said on taking office a second time in 1958. In the short term, he gave a tonic to the nation. In the long term, he left France with two problems, one nuclear and one German, to which his solutions are largely outdated. The turning point was 1989. But France after de Gaulle still has a turn to do.

The writer is one of Germany's most noted contemporary historians.

France in the '90s: Has the Time Arrived to Shatter the Gaullist Icon?

By Joseph Fitchett
International Herald Tribune

PARIS — France has outlived Gaullism in nearly every respect except one: foreign policy.

French politicians' reverence for de Gaulle's axioms about defense and diplomacy — stressing France's military autonomy and utter freedom of political action in all circumstances — remains sacrosanct.

'*Non*,' the general wrote in vetoing an aide's suggestion for a modest joint U.S.-French action in Africa: "To cooperate is to lose one's independence."

This Gaullist legacy — in fact, a dogma comparable to the "Brezhnev doctrine" or to U.S. strategies for "containment" — has ossified in the hands of the charismatic general's successors. It appears increasingly out of touch with France's interests as the Soviet empire implodes, German strength springs up again and the U.S. commitment to Europe wavers.

The moment seems at hand for French leaders to shatter the icon, openly challenging the world view that de Gaulle stamped on France. But French politicians shrink from that, as if the general might return, like the vengeful commander's statue in "Don Giovanni," and drag offenders off to eternal political torment.

French policy-making seems hobbled by the Gaullist tenet that NATO is an untouchable instrument of U.S. hegemony in Europe.

While the government intones the view that Europe is at the sharpest turning point since World War II, only French strategists, including prominent retired military officers, publicly draw the obvious policy conclusion that France needs to rethink its stance toward NATO and the U.S. role in Europe.

If NATO withers and the United States withdraws its nuclear and conventional forces, West Germany can be expected to dominate Europe and eventually seek its own nuclear weapons, concluded a recent study on the need to renew French defense thinking.

French public opinion may be more receptive to a break with Gaullist orthodoxies than many politicians say they believe. Most French people have accepted the significant erosion of sovereignty involved in the European Community's steps toward a single market and also symbolic military cooperation with West Germany.

The public shrugs off disclosures, which sent shudders through French leaders, that France's program to build its own nuclear weapons benefited from secret U.S. scientific help on orders from Washington or that French warships operate at sea using only standard NATO commands and speaking only English to communicate from ship to ship.

Mounting evidence points to Gaullism as a historical parenthesis for France, not a permanent philosophy that can guide France through the current geopolitical mutations. Tributes to the general's realism and claims about his X-ray insight into historical trends ignore the degree to which unshakeable grudges and unflinching opportunism powerfully influenced de Gaulle's policies and continue to shape French attitudes toward the United States and NATO.

Gaullist geopolitics were essentially forged in the crucible of neuralgic U.S.-French relations in the 1960s — like our own own times, an epoch of historic upheaval.

The general arrived in power in 1958 amid sharpening East-West conflict after the Soviet intervention in Hungary, the creation of the Common Market and the loss of French empire, culminating in Algerian independence. Like many other astute leaders, de Gaulle drove his country into history while keeping voters' eyes riveted on the rearview mirror with his talk of "the greatness of France."

The Gaullist style centered on nuclear weapons, which were seen as a substitute for forms of power that France could no longer muster. Instead of armies beaten in combat, France would rely militarily on the bomb and play down conventional forces. As a member of the select club of nuclear powers, France could claim political leadership in the Common Market, particularly with Britain excluded.

If this notion of national power had magical undertones (the war room under the presidential palace was named "Hall of Jupiter"), French policymakers proceeded to deduce severely logical policy implications.

France could be — indeed, must be — militarily independent of any allies in order to demonstrate that it was free to use its nuclear weapons to pursue its own national interests.

For the credibility of the French president's nuclear authority, he had to be seen to be free from the inhibiting influence of Paris' notoriously divisive party politics. So foreign policy became the exclusive domain of the president; other politicians risked accusations of being unpatriotic if they challenged French foreign policy.

This Gaullist "defense consensus" is credited with restoring French unity and self-confidence in the 1960s after the national collapse in World War II and the spasms of decolonization.

In the 1980s, French leaders, while sounding more sincere in their praise for European cooperation, found new justification for the Gaullist national consensus on complete independence in security affairs because, they said, it immunized French public opinion against the anti-nuclear allergies that have afflicted Britain and West Germany.

If French people show no such qualms, French leaders say, it is because they are confident that the *force de frappe* would be used only in their own ultimate national interest. Nuclear jitters in neighboring countries can be explained by the fear of people there that the U.S.-made arms on their soil might be used to launch a nuclear war decided by NATO or Washington, not by their own leaders.

But this concept of nationalism may be too abstract to explain France's ability to pursue a tough line in foreign policy. Equally important, de Gaulle bequeathed a tradition of unquestioned presidential supremacy in security policy. Parliament plays a derisory role in foreign affairs; even prime ministers are imperiled if they publicly deviate from the president's line.

And even the Socialist president, François Mitterrand, a convert to French nuclear deterrence after years opposing the concept, has taken over many tenets of the Gaullist foreign-policy consensus that he once castigated.

Intellectually comfortable, the Gaullist legacy also is convenient in giving French leaders a free hand in diplomacy that is envied by leaders of other democracies who have to answer to parliaments and opposition bodies.

But independent French analysts point out that de Gaulle's policies, which often relied on the same U.S. power that he challenged, could have the effect today of undermining the French position that the general sought to maintain.

While many of de Gaulle's operational doctrines have been overtaken, some were actually wrong at the time.

Although de Gaulle appeared to assume that France could safely play a lone hand because the Soviet threat was not serious, the East-West confrontation did not peak until in the 1980s, during what Soviet officials now acknowledge was "a second Cold War."

De Gaulle's foreign policy was also influenced by the domestical political context of the time. His flamboyant foreign policy, which he believed he could conduct under the umbrella of U.S. nuclear guarantees for Europe, served to divert attention from his conservative approach to social issues during growing French prosperity in the 1960s. Domestic frustration boiled over with the social turmoil of May 1968.

To transcend domestic tensions, de Gaulle apparently needed tension with Washington. Certainly it lent credibility to his assertions that France was blazing a significant "third way," offering it a singular role both between the Western alliance and the Warsaw Pact and between the industrial countries and the Third World.

His readiness to stand up to allies was popular among French people eager for a show of national self-assertion against the victorious powers of World War II; the United States and Britain were always lumped together by de Gaulle as "*les Anglo-Saxons*." NATO was anathema to him because he viewed it as an instrument of U.S. hegemony in Europe.

When Washington rejected his overtures for a tripartiate U.S.-British-French directorate in NATO, he took France out of the alliance's integrated military command, then ordered NATO to remove its installations from French territory. He forebade French participation in arms-control talks. He hectored the United States about Vietnam and recognized China, he sought to block Western cooperation in Africa, and he blocked British entry into the Common Market. In the Six-Day War of 1967, he ended French friendship with Israel and began to develop an Arab clientele at a time when other allies were alarmed by Soviet advances in the Middle East.

In particular, these policy orientations also helped de Gaulle with the French Communist Party, which then controlled up to a quarter of the electorate. Alongside the Gaullists, the Communists were the only force in France with political legitimacy because of their wartime role in the resistance.

Weakening NATO, alarming Bonn by refusing tangible French support for West Germany's defense, supporting Arab radicalism — all these Gaullist policies in the 1960s and 1970s gratified Moscow.

The world of that era arguably existed under the general's successors until a year ago, when Solidarity won out in Poland. Even after the fall of the Berlin Wall cleared the way to German reunification, French policymakers appeared slow to recognize that they faced a historical turning point.

The collapse of the Warsaw Pact has not only created new challenges for European unity but also started to undermine Soviet geopolitical weight. On the surface, this change offers the perspectives for fulfilling de Gaulle's wish for the dissolution of the two blocs and the emergence of a Europe stretching from the Atlantic to the Urals. This pious vision has been ritually paraded by Mr. Mitterrand in the form of a "confederation" that would include a democratic Soviet Union but exclude the United States.

In practice, if the French desire for the dissolution of the Atlantic alliance is fulfilled or even if NATO withers as the matrix of trans-Atlantic security policy, France is bound to find itself in a Europe dominated by a united Germany. As in the past and now perhaps more than ever, Moscow, if pressed, is drawn more strongly to West Germany than to France.

France's own position has weakened over the years because policymakers adhered so loyally to Gaullism that they failed to anticipate the changes taking shape around them, including the growth of German power and the decline of the Third World.

Today, French nuclear weapons appear to be a wasting political asset as European opinion increasingly rejects any notion of deploying nuclear arms that could be used in a small war. Indeed, Paris has encouraged this trend by criticizing U.S. plans for smaller nuclear arms that could be militarily effective without devastating entire nations.

In a growing number of vital military sectors, France has to play a full role in NATO — today in air defense and tomorrow probably in global electronic-intelligence gathering.

Of all his successors, no French leader has appeared better equipped to break the Gaullist strictures than Mr. Mitterrand. A life-long antagonist of the general, Mr. Mitterrand, shortly after becoming president in 1981, seemed intent on improving the Atlantic alliance.

He shared with President Ronald Reagan precious French intelligence information about Soviet operations to steal Western technology. In Bonn, he made his fellow Socialists in West Germany uneasy by urging them to deploy new U.S. nuclear missiles to offset Soviet SS-20s installed in Eastern Europe. Domestically, he annihilated the political power of the Communists, so he has no need to look over his left shoulder.

Today, Mr. Mitterrand is described by his latest biographer, Franz-Olivier Giesbert, as convinced that France is liable to be "dwarfed" by a reunited Germany. In public, Mr. Mitterrand has started paying at least lip service to the need to maintain NATO and the trans-Atlantic defense guarantee while Europe continues the process of unification and the West opens a new security dialogue with the Soviet Union.

But French policy still seems hobbled by resentment of NATO, an attitude that is hard to fathom as U.S. power starts to dwindle.

Europeans, including some French, hold a cynical view that France's reservations about NATO are rooted in French ambivalence, inherited from de Gaulle, about the United States. "France would like NATO fine if Paris could run it instead of Washington," a European minister of foreign affairs commented recently.

U.S. officials retort with a question of their own: "Why don't the French realize that, if they changed their attitudes toward NATO, they could practically run the alliance behind Washington's back, and then we'd all be happy."

In some people's view, the argument exaggerates the importance of what France does. It may. Significantly, however, both the West German and the British governments have asked Mr. Mitterrand to initiate a stronger French role in NATO that would reinforce Western cohesion.

U.S. officials say in private that signs of French support for NATO would be valuable in helping stave off congressional pressures to end the U.S. military presence in Europe.

It is unclear whether Mr. Mitterrand thinks that he — and France — should and could stand the stress of psychologically breaking with de Gaulle and grappling politically with a debate about France's changed place in the world and new potential roles.

He may even feel, like de Gaulle, that the world is safe enough for France to afford another decade of ambivalent, troubled relations with Washington in the 1990s.

CHALLENGING A LEGACY: The Americans' personal humility and historical arrogance clashed with de Gaulle's personal arrogance and historical humility.

What Would He Do?

(Continued from page 1)

foreign policy was to liberate France from the vagaries of personality. This embroiled him into frequent clashes with the United States. American leaders were outraged by what they considered doubts about their good faith. But de Gaulle was trying to provide for the time when his American contemporaries would be gone from the scene and America would become absorbed in its own problems or with other continents — a time that may not be too far distant.

In other words, de Gaulle's clashes with America reflected entirely different sets of historical experience and perspective.

At the end of World War II, the United States emerged from its historic isolation into a position never enjoyed by any other nation. With less than a fiftieth of the world's population, it was producing more than a third of all the world's goods and services. It possessed an atomic monopoly. Its involvement in wars had been to respond to major threats perceived as temporary after which it seemed safe to withdraw again into isolation. Its commitment to foreign economic programs reflected the conviction that domestic strains result above all from discrepancies between expectation and reality and can be overcome by the mobilization of resources.

The two great postwar American initiatives — NATO and the Marshall Plan — marvelously responded to immediate problems even though they were based on premises about the nature of international relations that were as unique, indeed idiosyncratic, as America's history: that cooperation among nations is its own justification, that peace is natural and that division of labor is adequate motivation for the conduct of each ally.

De Gaulle emerged from a diametrically opposite historical experience. He led a country turned cautious by too many enthusiasms shattered, skeptical by too many dreams proved fragile, and conditioned not by his nation's sense of power or cohesion, but by its latent vulnerability.

De Gaulle did not believe that peace was the natural condition among states: "The world is full of opposing forces. . . . The competition of efforts is the condition of life. . . . International life, like life in general, is a battle."

Whereas American leaders stressed partnership, de Gaulle emphasized equilibrium. While Washington wanted to assign each ally a part in the overall task, de Gaulle believed that cooperation was meaningful only so long as each partner had a real choice. Washington, conscious of America's stability, focused on immediate, practical tasks; it urged an alliance structure which in the name of integration made separate action physically impossible. De Gaulle, governing a country wracked by generations of war and civil conflict, insisted that the manner of cooperation was as important as the goal itself. France, if it was to recover its identity, had to be perceived as acting voluntarily and therefore had to have freedom of choice.

De Gaulle inevitably opposed a NATO in which French forces were placed under foreign command and a Europe that dissolved French identity in a maze of supranational institutions. He warned that supranationalism was incompatible with France's identity as if "self-renouncement were henceforth its sole possibility and even its only ambition." He considered this view not inconsistent with his advocacy of a united Europe "so that gradually there may be established on both sides of the Rhine, of the Alps and perhaps of the Channel, the most powerful, prosperous and influential complex in the world." And he never strayed from affirming the importance of the American alliance even while doubting that America could, or wanted to, retain indefinitely its commitment to Europe — especially in the nuclear field. In fact, during the Cuban missile crisis, American officials were as astonished as they were pleased by de Gaulle's all-out support.

Americans had a tendency to accuse de Gaulle of delusions of grandeur. The fact was that American leaders, though personally humble, were cocksure about the future. By comparison, de Gaulle's arrogant style was in part designed to reinsure against the French nightmare in which the unexpected formed the most central historical experience. It was in the end a case of personal humility and historical arrogance on the part of the Americans clashing with the personal arrogance and historical humility of de Gaulle.

I bring up these ancient quarrels because the upheavals of the past year have suddenly given de Gaulle's view a new relevance. He would not have been surprised by the difficulties in which the Soviet system finds itself. Indeed he might well claim to have foreseen it at the height of the Berlin crisis of 1959: "There is in this uproar of imprecations and demands organized by the Soviets something so arbitrary and so artificial that one is led to attribute it either to the premeditated unleashing of frantic ambitions, or to the desire of drawing attention away from great difficulties. This second hypothesis seems all the more plausible to me since, despite the coercions, isolation and acts of force in which the Communist system encloses the countries which are under its yoke, and despite certain collective successes which it has achieved by drawing upon the substance of its subjects, actually its gaps, its shortages, its internal failures, and above that its character of inhuman oppression, are felt more and more by the elites and the masses, whom it is more and more difficult to deceive and to subjugate."

Yet, the suddenness of the collapse would have confronted de Gaulle with a contingency he could neither foresee nor sardonically dismiss: the sudden emergence of a powerful united Germany.

In his more exalted moments, de Gaulle implied that his remedy for that prospect was the *force de frappe*. "How will you keep Germany from dominating a Europe based on the nation state?" I asked him once during another one-sided conversation. "By war *(par la guerre)*," shot back de Gaulle.

But as a political leader de Gaulle was both more supple and more realistic. In the 1960s, de Gaulle obviously believed that it was possible to construct European equilibrium based on French political dominance, the division of Germany, West German economic strength and a continued though reduced American presence. In this scheme everybody had some role: The Soviet Union would see to the division of Germany, the United States would defend Western Europe against the Soviet Union, and France would in time take over the political leadership of Western Europe backed by German economic strength.

The pattern was however too Cartesian, that is to say too intricate. It left too little scope for the unpredictable. At any rate, it has collapsed. De Gaulle would surely recognize that the Soviet military threat has declined, that the American commitment to Europe is being reassessed and that France simply does not have the strength to organize a new European equilibrium by herself. The traditional French option to contain Germany by rapprochement with Russia is precluded by either of the foreseeable outcomes of the Soviet internal conflict: If there is chaos, Russia will be too weak to act as a counterweight to Germany; if Russian nationalism prevails, a Soviet Union with thousands of nuclear weapons might rediscover hegemonial aspirations. Nor in Europe of 18th-century diplomacy is it a foregone conclusion that the Soviet Union would opt for France as a partner. In any event, the least attempt to encircle Germany would almost surely reawaken the very nationalism that is France's nightmare. So at the end of the road designed to make America more dispensable, the United States has emerged again as the key to the European equilibrium — though it remains to be seen whether Washington understands that opportunity.

In these circumstances, I suspect that de Gaulle would pursue two courses: he would accelerate his long-range goal of European political unity. And he would rediscover new virtues in the Atlantic alliance.

De Gaulle would not in my view convert to the supranational concepts of Jean Monnet. More than ever, he would reject the counsels of integrationists looking to strengthen supranationalism in the field of economics. He would surely oppose a Europe run by functionaries. His attitudes in that respect would not differ too much from those of Prime Minister Margaret Thatcher.

But he would part company with the doughty British prime minister with respect to European unity in the political and security fields. Given his faith in the primacy of political leaders over bureaucrats and of foreign policy over economics, de Gaulle would make every effort to build a united Europe in the political and security fields. Paradoxically, side by side with resisting a supranational bureaucracy, he might well espouse a system of majority decision in the Council of Ministers, calculating that such a system would give France two options. His preference would surely be the closest association with Germany. He would go to great lengths to avoid a Franco-German conflict; to even greater lengths to achieve common positions. But if despite all efforts, the temptations of Germany's central position become too great, de Gaulle might resort to the option of closer cooperation with the other nations of Western Europe. Either option would enable France to have a decisive impact on the majority vote. De Gaulle's goal would not be rivalry, however, but European unity leading to the creation of a European defense system under European command to which France together with Britain might contribute part of their nuclear forces, especially with respect to threats to Germany.

Ironically, the collapse of Soviet power and the emergence of Germany would transform de Gaulle's approach to America's European role. As a cool calculator he would recognize that the French and British nuclear forces are last desperate resorts accentuating rather than attenuating the need for American assistance in all other circumstances. He would understand, too, that while ethnic rivalries and economic crisis have changed the nature of the Soviet conventional threat, the Soviet nuclear stockpile of more than 10,000 warheads is essentially unimpaired. He would therefore seek an American commitment to the nuclear defense of Europe, which he would regard as substantially empty without an American presence.

But de Gaulle's reasoning would not be simply or even primarily military. The fear of American domination that governed his actions 25 years ago would have largely disappeared under the impact of a greater balance in the world's economy, the imminent withdrawal of a large part of America's ground forces from Europe and the emergence of European institutions for foreign policy and defense.

Regarding the American presence in Europe as an essential component of the European equilibrium, de Gaulle would see the advantage of relating Germany to a Western superpower and to the confidence inspired in the rest of Western Europe by the presence of a country that three times in this century proved essential to preserving the balance of power in Europe. Yet, as a student of history, de Gaulle would also recognize and fear the strong forces proclaiming that America has won the Cold War and should now leave Europe to the Europeans. So he would calculate that America cannot be present in Europe politically without a revival of a sense of Atlantic community with some common tasks for all its members.

Thus de Gaulle would probably come full circle as an advocate of NATO. He would know that a united Germany could not remain part of an integrated NATO command indefinitely unless France joined as well. And this decision would be eased by the emergence of a unified European voice within NATO.

Of course, de Gaulle would insist on an equal voice for Europe in global policies. And he would maintain a friendly option toward the East designed to counterbalance the French fears of German aberration and American isolationism without pushing the Eastern option to the point where it evokes these dangers.

This is surely an unsentimental picture of a leader sentimental only about his own country. But de Gaulle was convinced also that his approach was far from selfish.

"The battle which our country is waging," he said, "tends to unite and not to divide, to honor and not to debase, to liberate and not to dominate. Thus it is faithful to its mission which always was and which remains human and universal."

Perhaps de Gaulle's greatest achievement was to institutionalize his approach to foreign policy. Every successor of whatever party has more or less followed his basic philosophy. So it is possible that much of what is described here will emerge as French policy in the not too distant future. Then it remains to be seen whether French rationality can manage the intangibles: Britain's willingness to join Europe, German self-restraint and America's willingness to play a role at once more modest and more crucial.

The former secretary of state wrote this article for the International Herald Tribune.

President Richard Nixon with de Gaulle in Paris in 1969.

Agence France-Presse

Advice About Asia: Hands Off

By Etienne M. Manac'h
International Herald Tribune

In de Gaulle's view, Asia in the 1960s presented two important — and related — problems: China's future and U.S. attempts to isolate China.

Indochina was the lynchpin between these two problems and, from the moment he returned to power in 1958, de Gaulle launched an insistent effort with America to end the war in Vietnam.

De Gaulle maintained that the countries of Indochina should be independent. Was he in this sense turning against his American allies? Not at all! — although no other policy discussions between Paris and Washington produced such intensive clashes.

France was convinced that the solution to the civil wars of Indochina should be political and free of interference by outside powers. Sobered by its own bitter experience, France had concluded that attempts to achieve a military solution were doomed.

American planners apparently believed that the army was the best tool of action in these countries, so political lucidity was repeatedly overwhelmed by a military strategy.

By linking Cambodia with two neighboring American allies, South Vietnam and Laos, the United States was still trying to forge a single regional military bloc at the time of de Gaulle's death — exactly the opposite of the approach based on self-determination and an end to outside interference that de Gaulle had advocated in his speech in Phnom Penh in 1966.

As a cardinal principle, de Gaulle refused to let ideological appearances blind him to the reality of national interests and the divergences, however minute, between apparent allies. He refused to believe in monolithic Asian communism or a permanent alignment between Hanoi and Beijing — or, for that matter, between Beijing and Moscow.

So when de Gaulle was able to give France an independent foreign policy, he recognized China.

This move, in January 1964, had great impact there but little elsewhere — except in Washington, where it contributed to another crisis in U.S.-French relations. France's was virtually the only non-Communist embassy in Beijing.

But five years later Richard Nixon, just having been elected president, came to Paris and told de Gaulle (who confided it to me) that he believed that U.S. policy toward China had been absurd for years and that he had decided to open secret talks with Beijing.

Mr. Nixon was also determined to extricate his country from Indochina and start withdrawing U.S. troops from Vietnam to facilitate peace talks.

The Phnom Penh speech was therefore "forgiven," and I can still recall de Gaulle's satisfaction about this shift in U.S. policy.

In trying to look at contemporary Asia through de Gaulle's eyes, the paramount development is the collapse of communist ideology in the Soviet Union after 75 years. This abrupt end to Soviet ambitions of dominating the world is a severe lesson in political realism.

China has tackled the same problem in a different way. Whereas Moscow wants to change the fundamentals of the Soviet political system, China's leaders seek to restrict changes to the economic sector.

In Asia, there is a major difference in strategy between these two powers as they look for a successful formula for modernization. But the important consideration for this risky venture is not which one succeeds first, but one of time: Just how long do they have to succeed at all?

Mr. Manac'h was a prominent official of the Free French under de Gaulle and ambassador to China from 1969 to 1975.

Since our very first flight in May, 1960, Thai International has built its reputation on a unique blend of centuries-old traditions, innovative thinking and state-of-the-art technology. This unchanging philosophy has seen us grow in just 30 years from a small airline serving just nine destinations in Asia, to one of the world's major international airlines, serving over 70 cities across four continents. En route, many major milestones have been achieved. For example, in 1964 Thai became the first all-jet airline in Asia. In 1967 we introduced the first jet flight to Bali, and in 1968 the first jets to Kathmandu. Also, in 1968 we launched our extremely successful Royal Orchid Holidays programme. In 1972 Thai introduced the first computer-controlled flight simulator in Asia. And in 1978 the first of our A300 Airbuses came on board, followed by our magnificent 747B's. In 1980 we pioneered a new trans-Pacific route to the U.S.A. through Seattle and Dallas. In 1983 Thai was the first airline in Asia to introduce a Business Class. In 1985 we completed construction of our US$100 million Aircraft Maintenance Centre, and in 1986 we opened the vast 57,000 square metre Thai Cargo Village at Bangkok airport. And 1988 saw the successful merger of Thai International and Thai Airways Corporation. Fly smooth as silk on Thai. The airline that reaches for the sky.

1990

CELEBRATING THAI'S 30th ANNIVERSARY

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

A New Place in Europe

America Re-evaluates

President Bush faced up to the inevitable last week, but it is barely a start if he is to meet Europe's two great challenges: a rising Germany and a declining Soviet Union.

The president has to draw down American forces in Germany to satisfy the Germans and give further impetus to Soviet withdrawal. But he also has to retain a sufficient military presence to reassure Germany and its neighbors, at least until new security arrangements are devised, and to preserve American influence in Europe.

To meet these challenges, he has now canceled plans to deploy new short-range nuclear weapons in West Germany. He has moved up U.S.-Soviet talks to ban existing short-range missiles and nuclear artillery. He set a fall deadline to sign a treaty cutting conventional forces. And he proposed a NATO summit meeting for early summer to map out steps on conventional arms control.

These moves, however welcome, are only the first in the necessary evolution of NATO from a largely military institution to a more political one. And beyond that, the United States will have to find a place in new institutions that bridge the East-West divide.

For more than 40 years, the Soviet threat and Europe's need for an American counterweight gave NATO its vitality and America its considerable influence. Even now, most Europeans accept a continuing role for NATO's integrated military structure and a continued American presence to counter growing German influence.

But as Soviet troops head home, short-range nuclear missiles and artillery shells are no longer needed in Germany. That is why Mr. Bush is now willing to begin U.S.-Soviet talks to eliminate all such weapons as soon as a conventional force treaty is signed.

A lot of painstaking work confronts the allies before the proposed NATO summit session in June. Formulating a sensible negotiating position on short-range nuclear weapons is but one task.

There is no enemy left to fight with NATO's strategy of flexible response and forward defense, with its reliance on tank armies massed to counterattack swiftly and early use of nuclear weapons if that fails. Thus NATO can consider very deep cuts indeed in conventional forces.

Beyond questions of troops, tanks and planes, a radically changed Europe faces radical new political questions. Poland, Czechoslovakia and others are eager to rejoin the rest of Europe. And the Soviet Union must not be left out either.

But what institutions can accommodate them? And what institutions can provide for security as the Warsaw Pact disintegrates and NATO's bonds loosen? In time, the United States will find other places in Europe besides NATO.

— THE NEW YORK TIMES.

No Apologies Needed

A certain embarrassment and impatience creep into discussions of NATO. To some, the Atlantic alliance, which has kept the peace since World War II, is something of a Cold War relic, no longer so necessary. Others surveying Europe's transformation and the shrinking of armies and arsenals look past a Western military alliance to other structures, such as the 12-nation European Community, the 35-nation Conference on Security and Cooperation in Europe or a new all-European security "system" as yet unformed and unnamed. Even President Bush, an old-school Atlanticist who believes the United States has a deep interest in a continuing European role, observes that NATO's political dimension needs to be brought out. It is one of the tasks he assigns to a broad strategy review he hopes will be launched at a NATO summit meeting in June.

Well, yes. The political dimension. Arms reductions. Nuclear reductions. Negotiations. German unification. "Two plus four." The EC. CSCE. A new "system." Let the old allies and the newly friendly states of the former Soviet bloc work in and on all these things that constitute the European agenda. But let us not forget that NATO is what brought all of us, East and West, to today's promising pass and that military force and readiness, in an appropriate new pattern, remain useful to the security and stability of nations.

Shift to a political dimension? It was the political dimension — democracy, voluntary participation, consultation, shared burdens and benefits — that created NATO. What has changed is not the need for or existence of a political dimension but its content. The focus is no longer simply on containing Soviet power, though there is still plenty of Soviet power left. It is on assuring the democracies quiet, adequate security against threats and upsets from any quarter.

Without Americans, the Atlantic alliance would be something very different. Perhaps Europeans will wish it to come to that. Until they do, NATO is the structure that binds America to the defense and politics of Europe. This condition serves not just the multilevel American interest in Europe. It also serves, at this moment, the general East-West interest in uniting Germany on stabilizing terms. Continued American participation in the alliance is the best way to assure Soviets as well as East Europeans of the value of a united Germany's participation in the alliance. NATO is not strange or irrelevant to the new Europe, it is central. It needs not apology but intelligent review.

— THE WASHINGTON POST.

Revolution of Hope

The scene in Cape Town last week was as astonishing as anything in Eastern Europe: Frederik W. de Klerk, the South African president, and Nelson Mandela, deputy president of the African National Congress, sat at the same table and talked about a new constitutional order for their nation.

After three days, the two sides were able to report modest but real progress in laying the foundation for more detailed negotiations over the shape of a new, democratic system. South Africa, so long and so recently an object of despair for the world, has suddenly become a source of hope.

The symbolism of these talks was as important as their substance. Mr. Mandela observed that this was the first "truly serious meeting" between the ANC and a white government in 78 years, freighted with "the deadly weight of the terrible tradition of a dialogue between master and servant." To overcome that burden, he said, all "who are hostages of the past must transform ourselves into new men and women who shall be fitting instruments" for the creation of a new South Africa. Less eloquently, but bravely, Mr. de Klerk spoke of "the irreversible process of normalization."

The details seemed less dramatic. The ANC's demand for the release of political prisoners was shunted to a joint working group. The government pledged temporary immunity for ANC leaders in exile, so they can return and begin organizing. And it pledged to "work toward the lifting of the state of emergency," a key ANC demand.

That sort of plodding give-and-take will dominate the negotiations in the weeks and months ahead. But what seems ordinary is in fact extraordinary: South Africa, only two years ago on the verge of revolution, may have found a way to make history without revolution.

— THE NEW YORK TIMES.

The Maggots of Bigotry

A specter of unbridled bigotry haunts the Soviet Union and Eastern Europe. Ethnic Turks face persecution in Bulgaria. So do Gypsies in Hungary; so does Transylvania's Hungarian community in Romania.

Meanwhile, ancient anti-Semitic hatreds flare anew. In January, goons calling themselves Russian nationalists burst into Moscow's Central House of Writers, shouting "Kill the Yids!" In Poland, whose prewar Jewish population of 3 million has dwindled to 4,400, walls have been defaced with vile graffiti: "Jews to the ovens, Jews for soap." In Budapest, some politicians speak menacingly of "cosmopolitans," meaning Jews.

A society's moral worth is rightly gauged by how it treats its most defenseless citizens. The fundamental integrity of a democracy depends on its willingness to safeguard the rights of minorities. Even as the United States applauds the rise of more open systems in Eastern Europe and the Soviet Union, there is reason to worry about their leaders' tepid response to a malignant legacy.

The maggots of hate cannot be eliminated by prohibition. Sunlight is a better weapon than suppression. What leaders say and do matters enormously; bigotry is tacitly legitimized by silence or hints of complicity. Under orthodox Communist rule, bigotry was officially condemned but unofficially tolerated — and sometimes is shamelessly encouraged when useful.

It was something of a moral revolution when East Germany's newly elected government accepted responsibility for Hitler's crimes against Jews. East Germans need now to re-examine schoolbooks and the way the past is depicted in their media. Such sunlight has worked well in West Germany and provides a beacon in other transforming societies, notably the Soviet Union.

Mikhail Gorbachev has condemned "the spread of anti-Semitism and all the other -isms." But the Soviet press, still highly responsive to official guidance, has barely begun to deal openly, factually and forcefully with a surge in bigotry. It is time for Soviet leaders to drive a stake into hoary slanders like the one again making the rounds, that Jews engage in ritual murders or were responsible for the murder of the czar and his family.

In reacting to all this, Westerners need to be wary of two mistakes. The first is to exaggerate the threat of hate groups that are loud but small; Russian nationalists captured only 10 out of 468 seats in Moscow's City Council. The other mistake is to minimize the significance of resurgent bigotry in societies struggling with failed economies and new political ideas. Unless checked by leaders, maggots can multiply.

— THE NEW YORK TIMES.

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OPINION

For the Tripolar World, a Big-Three Steering Committee

By David Gergen

WASHINGTON — A half-dozen years ago, Helmut Schmidt liked to observe that the world was divided into two triangles of power: a political triangle consisting of the United States, the Soviet Union and China and an economic triangle consisting of the United States, Europe and Japan. The United States was the only player common to both and thus, the former West German chancellor argued, still reigned preeminent.

Suddenly, unexpectedly, we are down to one triangle. With Soviet communism disintegrating and Chinese communism on a mad detour, it is increasingly clear that Europe, Japan and the United States will dominate the world's economic and political life. What is not yet recognized, but should be, is that America must learn how to play a new, three-cornered game. More than anything else, that will require the United States to think more carefully about Japan.

Of course, the division into this Big Three will not be a tidy one. In a world where McDonald's sells more hamburgers in Tokyo than in New York and Honda makes greater profits in America than in Japan (and is rumored to be moving its headquarters to Los Angeles), geographic boundaries are breaking down quickly. Other voices will also be heard: Those of the Soviets, who will retain more than half the world's nuclear weapons, and of the developing nations, which will account for more than 80 percent of world population growth in the '90s.

Still, the combined force of the United States, Japan and Europe will shape the future. Among them, they have only 13 percent of the world's population but produce nearly 60 percent of its goods and services, and they will call most of the economic and political shots.

Before long, each of these powers will also develop its agenda for action. In a forthcoming article, the economist C. Fred Bergsten argues that "the Big Three need to start acting as an informal steering committee for the world economy." He calls on the economic giants to construct a new international monetary regime to replace the collapsed system of Bretton Woods, to bring the latest round of international trade talks to a successful conclusion and to launch new initiatives on the environment, energy and the Third World. Together, the Big Three could be enormously constructive.

Yet constructive cooperation is far from certain. The most immediate task for the Big Three, for example, is to ensure success for the current round of global trade talks (the so-called Uruguay Round) that would lower barriers to world commerce. For now, as a top adviser to President Bush privately acknowledges, prospects are shaky. Agreements are supposed to be reached in 15 key areas by July; negotiators have yet to conclude even one.

Should the Uruguay Round fail, authorities in and out of the administration believe the Big Three would move rapidly toward regional trading blocs, setting up defensive walls against outsiders. Some believe trading blocs are forming already.

In Europe, experts had assumed that with the crumbling of the Berlin Wall, the process of economic integration would slow to a crawl, but it has actually accelerated. Dragged down by polls at home, Margaret Thatcher signaled last week that she is even willing to talk about political integration. A new European nation is quickly shaping up, and it appears that it could stretch from Britain to what is left of the Soviet Union.

A continuation of the current U.S. approach on Japan — telling the Japanese exactly what they should do to change their social and economic mores — risks a terrible backlash in Tokyo. Some observers, such as the journalist Yoichi Funabashi, see the recent structural-impediments accord as a basis for a new "microeconomic harmonization," where America and Japan can find "level ground in tandem with the European Community."

But Japanese nationalism is already whipped up. "Japan is moving away from a position of total dependence on the U.S.," said Yotaro Kobayashi, president of Fuji Xerox, "looking toward self-reliance and other friends in Asia, Europe and the rest of the world."

A backlash is also developing on the U.S. side of the Pacific. The low value of the yen and a slowdown in Japan's economic growth could soon widen the trade deficit. A slump in the United States would exacerbate tensions on Capitol Hill and ignite protests from U.S. workers and manufacturers in trade-sensitive industries.

These factors are producing increased support for a switch in U.S. trade strategy toward a results-oriented approach. Under such a strategy, instead of focusing on specific practices, impediments or sectors, the United States would simply insist that the Japanese, whether by redirecting more of their production to home consumption or increasing their imports, make substantial progress toward reducing their global trade surplus. The administration is resisting, but economists such as Rudiger Dornbusch believe the United States must begin asking the Japanese to expand their manufactured imports worldwide by around 15 percent a year for 10 years and let them figure out how to do it. Free trade is obviously preferable. If it cannot be achieved, however, reciprocal trade is the best alternative, and one that could reduce political tensions.

Meanwhile, the Bush administration must do a far better job in helping Congress and the public look beyond the issues of trade and Japanese investments in the United States to the importance of a broader relationship with Japan. Few appreciate, for example, that with American prodding, Japan is starting to play a more positive role internationally. It now provides more foreign assistance than the United States to more than 25 developing nations, more aid and investment to Eastern Europe and more relief for Third World debt. With a little imagination, America and Japan could strike up an effective, joint effort to combat environmental degradation worldwide.

Writing in a new bimonthly from the Institute for International Economics, Mr. Bergsten argues that bringing Japan into a "Big Three steering committee" will also make Tokyo a better partner. The United States may even come to appreciate one day that the Japanese competitive threat has been good for it.

A decade ago, Detroit was turning out cars averaging seven to eight defects apiece, and Americans naturally turned to Japanese cars, which averaged only three. Under that competitive pressure, Detroit now produces a much better car, averaging 1.75 defects. Japan has lowered its rate to 1.3, but America is closing the gap. And the winner is the American consumer.

There is a lesson here about the Big Three: They can provide a terrific ride for the world in years ahead, as long as they steer in the same direction.

The writer is editor-at-large of U.S. News & World Report. He contributed this comment to The Washington Post.

Not All Is What It Seems in the Hostage Bazaar

By Jim Hoagland

PARIS — The French get three, the Americans get two, the British are ready to talk to Iran about getting back their four. The hostage bazaar is open and Western governments are in the market. But in this hall of mirrors nothing is what it seems. Welcome to the Middle East.

People grow skeptical when George Bush and François Mitterrand piously claim they have not traded words of praise or jet fighters for the freedom of their citizens. But the American and French presidents tell the truth. Western leaders are not buying hostages; they are buying better relations with hostile states. Or so they think.

Think back to the lessons of the Iran-contra affair. The White House files that did not get shredded or electronically zapped show that hidden behind the drive to free American hostages in Beirut was a grand geopolitical design to get back on Iran's good side and to save Nicaragua.

Getting hostages freed served these ends. It helped that the release would be a political plus for Ronald Reagan and in Oliver North's ultimate delusion might win Mr. Reagan the Nobel prize. But befriending Iranian moderates was the main aim. Were the hostages pawns in the games played by North and Associates? Too harsh. But not totally false, either.

The politics of hostage-holding and hostage-liberating are just as transparent in the episode that began the latest round of releases, a non-deal that involved a French woman, her Belgian companion and their daughter, who were released in Beirut by terrorists supported by Libya.

Foreign Minister Roland Dumas of France publicly praised the Libyan leader, Colonel Moammar Gadhafi, as a great humanitarian for his role in the release. Everyone concluded that the French had bought the hostages' freedom by sending back to Colonel Gadhafi three Mirage fighter jets that Paris had impounded years before when they were sent to France for repairs. France, it was thundered, had paid for the release of the hostages with these machines of death.

That turns what happened on its head. The truth is simpler, and worse:

Colonel Gadhafi has been behaving himself for some time now in areas of French concern and the time had come to send the planes back. "We always had them on a rubber band, ready to send back at the right moment," a French official told me. "After all, they were Libyan planes."

But how to explain this sudden warming of relations to a French public that has not been paying attention to Libyan good behavior in Chad? Enter the hostages. They were the small change in the transaction, the wrapping for public presentation of the geopolitical package. They provided cover for the French government's fulsome words of thanks to Colonel Gadhafi for his general good behavior.

There had been almost no public pressure on the government about these particular hostages. Their plight received little publicity in the French media, skeptical as it was about the circumstances of their capture and imprisonment, which occurred in Libya, not in Beirut. The release in Beirut was choreographed to spare Colonel Gadhafi's reputation.

The same brand of realpolitik accounts for the renewed U.S.-Iranian search for a better relationship, which would be built on the release of two hostages. Instead of Hawk missiles, words of thanks are the payment to the "moderates" this time. Iran and its proxy hostage takers/releasers have lured President Bush into a quagmire he had admirably skirted until a May 3 press conference.

When the president said that he would offer Tehran "any gesture that wouldn't be perceived as negotiating for the release of hostages," he admitted that he sees the problem as one of perception rather than substance. When he said that he thought of the hostages every night, he invited the Iranians to jack up the price for those still held. And when he agreed to try to get information about four missing Iranians whom the CIA has told the White House are almost certainly dead, he confirmed that he was prepared to conduct foreign policy through the hostage medium.

One government does not make this mistake — Israel's. The Israelis know that trading hostages does not produce geopolitical shifts. They do not think that such trades will cause the Iranians or the Arabs to feel more kindly about them. The Israelis trade prisoners for prisoners if they must to get Israelis back, but not for foreign policy goals.

The United States should have no expectations that the Israelis will agree to release Sheikh Abdel Karim Obeid and other Hezbollah prisoners they hold for the sake of freeing American hostages and bringing Washington and Tehran closer. Nor should the United States pressure Israel to do this. Trading lives for lives is demeaning enough. Trading lives for illusory geopolitical shifts should be beyond the pale.

The Washington Post.

The Pig of Peace.

Poland: For Now, the Pleasures Outweigh a Threat From the Right

By A. M. Rosenthal

WARSAW — Later on we'll get to the problems of Poland but for at least a few paragraphs, let's just talk about the pleasures of Poland.

Right off, the first time we set eyes on each other in six years, an old Polish friend announced the great news. "We are a free country now!" he exclaimed in the hotel lobby, as if he were the first to carry the word.

He knew that nobody who had lived in captive Poland in the hard, mean years of Soviet-imposed communism, as I had, could grasp fully the joy of the news until he came to see and taste it.

Now Poles can write, talk, print, vote, travel, invest and complain, my good friend said.

He laughed at the happy shake of my head that this was happening in Poland. "Anything!" he said.

So, finally, this is the first real Polish springtime.

Springtime, after German devastation and decades of struggle against Soviet colonialism, gray decades of uprising and defeat, hope and failure.

In this country, it was not the collapse of Soviet communism that brought freedom. It was the unrelenting Polish struggle that helped drain the ability of the Communists to rule, here, in Moscow or anywhere.

Freedom was not given to the Poles; they took it. In so doing they helped all Communist-ruled nations, including the Soviet Union.

Warsaw will probably never be beautiful again. German troops went from block to block, blowing them up house by house.

But Warsaw looks just wonderful these days — trees in full leaf, students and painters taking over the squares and alleys of the lovingly rebuilt Old City.

It is alive with what the Communists hated so much — the bustle and bounce of business and art.

I asked Adam Michnik, editor of Solidarity's daily newspaper and one of those chewy political intellectuals who always have been a particular Polish treasure, whether it was overly romantic to be so hopeful about Poland now.

No, not overly romantic, he said, as long as Poles understood they now had nobody to blame but themselves for any mess they made.

So, on to problems. The first was created by courage.

The government of Prime Minister Tadeusz Mazowiecki acted swiftly and bravely to pull Poland from the economic morass of communism.

That meant slashing many subsidies, letting prices rise while keeping wages down for the time being, creating unemployment by writing off some failing government enterprises.

So far the Polish people have taken the bitter medicine to cure the economic diseases left by communism.

But if Poles do not get some economic rewards along with freedom, there could be a second problem — a split between the Solidarity intellectuals now in office and Lech Walesa.

He is in a grumpy mood, which he intends to cure by becoming president of Poland.

The unanswered question is whether he will go for the official leadership, which he merits, in alliance with the intellectuals or continue to take cracks at them about the economic situation.

Solidarity supporters in the government are worried about the possibility the Walesa inner circle of politicians, union officials and clerics might move him toward the unpleasant Polish right.

They think that could lead to a Polish Peronist populism.

But they still count on Mr. Walesa to remember that the partnership between workers and intellectuals created the Solidarity victory and keeps the alliance strong.

Poland is in its own hands now, at last. But America can do a lot to help the country; help will be welcomed.

Much can be done — more insured investments by American business, forgiveness of crippling loans made to the Communists, moving the creaky communications system into the modern business world, bringing young Poles to the United States for training.

America can push its European allies to give Poland association with the European Community. This is important to Poland economically and politically. East Germans will get it automatically with German unification, but Poland has been denied.

Bronislaw Geremek, the Solidarity leader in parliament, said that what the Poles needed most from the United States was to stay involved with Poland, not forgetting.

Poland has suffered as no other nation from the Germans and the Soviet Union. Therefore it would honor the United States to treat it with special attention and care.

Perhaps this time the United States will not walk away from a friend. That is the one thing about their future Poles cannot decide for themselves.

The New York Times.

America: Neither Poorer Nor Wiser

By Flora Lewis

LOS ANGELES — It is hard to account for the dramatic shifts in American moods. Less than two years ago, the fashionable air was super-self-satisfaction — we're number one and the others better listen to us.

Now, there are cries of decline: If they don't want us, we'll pack up and go home, we have run out of steam and don't know what to do about it.

The facts belie both extravagances. There have been dramatic changes, but in other parts of the world. Although they present new problems, they offer prospects of redressing ugly neglect at home and improving security and commerce abroad.

The importance of the collapse of East-West ideological conflict is still widely underestimated. It has affected perceptions everywhere, not only undermining enemies but spurring many in the Third World to look for the special combination of principles and techniques that brought success to the American-led West.

At the same time, little has changed within the United States. It is distressing to see in a single day in the most elegant streets of New York more than a dozen bundled bodies stretched out homeless and hopeless on the sidewalk.

The roads and the bridges have not improved. The education gap remains a mounting scandal and the nation's finances are still a mumbled incantation to no effect. The fabled cities smell of fear.

These things were not different a couple of years ago, when fewer chose to notice. America is not poorer, but it feels so now that it is not celebrating its illusion of omnipotence. As Professor Joseph Nye of Harvard said at a recent meeting of the Trilateral Commission in Washington, it is not the wallet that is lacking but the will.

Foreigners do not see a weakened, diminished America. We Americans can no longer pretend to run the world single-handedly, and in fact we only ever did to the extent that we helped to achieve shared goals.

But we are not turning into Albania either, a country anyone can ignore. Even Akio Morita, the head of Sony and co-author of the peevish America-bashing document called "A Japan That Can Say No," insists that Japan needs the partnership of a strong, vital United States.

The Europeans, including Germans in both opposition and government, are clear about the need to keep firm North Atlantic ties, although the role of the alliance needs adjustment to coming circumstances.

They are still too far from the kind of integration that will make Europe a real superpower and they require the balance of American assurance. The only way the United States will lose influence in the decade ahead is if it chooses to abdicate.

But this is a country exceptionally prone to fads, volatile swings of smugness and self-doubt, what to attack and what to admire. The spotlight is on fashion, and as my colleague Russell Baker noted about Earth Day, public relations sets the fashion and then moves on to a new campaign as if the noise were the deed.

It is not all bad, though it can distract from steady effort. It keeps things humming and provides the mysterious magic of social mobilization without coercion that undemocratic systems never manage. But it does inhibit a grasp of the larger currents that must shape the society.

The case of Barbara Bush and Wellesley is an example. The first lady was chosen as commencement speaker at one of the few outstanding all-women's colleges remaining, and campus feminists protested.

They do not suggest she is not interesting or worthy, but they want the honor to go to a "role model," someone who won eminence by herself. A mere wife neither inspires nor reflects female capacity, they argue.

That is silly. Women can do all kinds of things, including run the country if they can get elected, but it is not the only way to prove themselves. "Women's problems" are an inseparable part of the social fabric. Mrs. Bush has shown she knows that and has addressed it in her own way.

This compulsive shifting of ups and downs, whether to measure success by money, by power, by civic virtue, by talent, by competitive triumph, whether to measure what is good and bad by cholesterol, by tobacco, by excess, makes the country engagingly trendy but confuses it.

A steady course in the world and a steady concern for continuing failures on delivering America's promise to its citizens need attention.

One great struggle for the minds of men has been won. It must be followed not by a search for a new enemy but by putting the fruits of triumphant ideas into practice.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: Small Claims

PARIS — The *Times* has a leader on Mr. Stanley's speech, which gives a very fair synopsis of his recent geographical discoveries. It is rather strange, however, that the *Times* seems to credit Mr. Stanley with the discovery of the pygmies. These were discovered years ago by Schweinfurth, in the region south of the Bahr el Ghazel, and not far from where Mr. Stanley met them. Mr. Stanley has never dreamed of claiming to be their original discoverer, though he has probably seen more of them than has any other traveler.

1915: Oriental War Talk

LONDON — Advices from Tokio and Peking indicate that, in spite of "war talk," the outlook is still peaceful. The English newspapers are full of alarmist despatches, but they are largely based on the views of persons who have interests which would profit by hostility. The proposed ultimatum has not yet been sent by Japan, and it will be delayed until all diplomatic efforts have been exhausted.

1940: On Canal Security

WASHINGTON — The Panama Canal is not only the keystone of the defense of the United States but also of the general defense of the Western Hemisphere, General George S. Strong told a meeting of military engineers. He said that the Americas are safe from overseas aggression so long as: 1. The canal is open for transit; 2. The foreign aggressor has no bases in the Western Hemisphere from which it can operate. With its present coastal defenses the Panama Canal is safe from the attacks of surface vessels and combined sea and land attack would offer only a slightly better chance of success, but an air attack would have better prospects, although it would require at least two aircraft carriers or land bases.

هكذا من الأصل

FOR MOZART FANS

Herald Tribune
BUSINESS/FINANCE
MONDAY, MAY 7, 1990

FOR ELECTRIC FANS
In Touch with Tomorrow
TOSHIBA

EUROBONDS

Citibank Issue to Widen Global Bonds' Horizons

By Carl Gewirtz
International Herald Tribune

PARIS — The global bond, up to now an instrument used only by the World Bank to raise money simultaneously in the United States and on other markets, will widen its universe later this month. Citibank will become the first corporate issuer to use the technique, repackaging credit-card receivables as triple-A rated bonds.

Although details have not been set, the issue — with a maturity of either five or seven years — is expected to exceed $1 billion. The market response will be closely monitored. Professional opinion is still divided on whether global bonds represent real value for investors or are simply issuer hype aimed at reducing borrowing costs.

The new issue will itself be a trail blazer — the first registered securities subject to U.S. tax laws and therefore requiring an amount of paperwork never before encountered in the Eurobond market.

The issue will be the first registered securities subject to U.S. tax laws.

Eurobonds traditionally are anonymous bearer instruments, giving investors the choice of whether to declare their interest income to tax authorities. Global bonds, in order to be distributed within the United States, are registered securities.

The two World Bank global bonds did not require any extra paperwork because the institution, although domiciled in Washington, is exempt from U.S. taxes.

Also exempt from the paperwork were the earlier foreign-targeted issues by the U.S. government and issues backed by U.S. government securities that were dressed up to look like Eurobonds and only required statements from underwriters that the paper was not sold to U.S. citizens.

Citibank's global bond will thus be the first internationally distributed registered issue to fall under the purview of the Internal Revenue Service. All holders of the bonds will have to fill out IRS forms indicating whether they are subject to U.S. taxes. These documents are collected by the selling agent who then has to deliver the information to the international clearing systems, Euroclear and Cedel.

IN THE ABSENCE of adequate documentation at every interest payment date, the interest payment can be blocked or paid out only after deduction of a 30 percent withholding tax. The willingness of Cedel and Euroclear to handle this paperwork — enabling the bonds to be traded and settled internationally — is itself a breakthrough. Spokesmen for the clearing systems said they are complying with client requirements.

"The processing at our end is a burden," Yannic Weber at Euroclear said. "But the principal obstacle up to now was that the market was not ready to accept this kind of reporting."

It is taken as a certainty that individual investors are unwilling to comply with such rigorous reporting requirements and that the only takers will be institutional investors.

In theory, they are prepared to put up with the paperwork because the enhanced liquidity of global bonds adds value to the investment.

But does it? Bond salesmen insist yes. Analysts are much more skeptical.

The experience with the two World Bank issues does not provide a clear picture. The first global bond, a 10-year issue made last October, was sold into a bull market: the dollar was strong, at its upper limit against the Group of Seven's targets, and the U.S. economy was slowing with interest rates expected to fall.

The bonds were offered to investors to yield 37½ basis points more than comparably dated U.S. Treasuries. That spread subsequently narrowed to a slim 21 basis points before widening out to the current level of 44 basis points.

The World Bank's seven-year global, offered in March, fared less well right from the start. The bull market had died as the dollar fell and interest rates rose. In addition, the pricing — 33.6 basis points over Treasury yields — was widely considered to be too stingy. The paper never traded at such a thin margin and now stands at 42 basis points over the Treasury yield.

The globals have held up well, compared with 10-year World Bank Eurobonds, where spreads on 10-year paper are six basis points higher, at 50 basis points over Treasuries (meaning the bonds trade at a lower price) and seven-year paper is three to five pips higher.

Skeptics question whether this better price performance of the global bonds is not due the size of the issues rather than the uniqueness of the concept. The globals amounted to $1.5 billion each. The largest World Bank Eurobond was for $750 million and its average Eurodollar issue was for $300 million.

In addition, the World Bank globals have an added advantage that other potential corporate or sovereign issuers cannot enjoy. In the U.S. market, the World Bank paper is ranked with U.S.

See EUROBONDS, Page 11

Bell Stake Targeted By Panel

Agency Seeking To Block Maxwell

Reuters

SYDNEY — Australia's corporate watchdog, the National Companies and Securities Commission, said Sunday that it will again attempt to block the sale of a 14.9 percent stake in Bell Group Ltd. to the publisher Robert Maxwell.

The panel's chairman, Henry Bosch, said the commission would lodge a formal application with the Western Australian Federal Court on Wednesday to block the sale.

The panel failed last week to stop Mr. Maxwell from buying 48.6 million shares from Bell Group's managing director, David Aspinall.

"There appears on the face of it to have been a breach of the law," Mr. Bosch said. "I think that's something that requires some inquiry."

Only days before the April 29 sale to Mr. Maxwell, Mr. Aspinall bought 16.7 percent of Bell from the Australian State Government Insurance Commission, for one Australian cent (0.75 U.S. cent) a share.

The government said that purchase was in breach of takeover rules because of Mr. Aspinall's association with Bell's 75 percent owner, Bond Corp. Holdings, and therefore the sale to Mr. Maxwell was invalid.

Petrodollars Flow Back to Wall Street

By Diana B. Henriques
New York Times Service

NEW YORK — Wall Street has largely ignored the latest petroleum market upheaval, centered on efforts by the Organization of Petroleum Exporting Countries to reduce its output, but some startling new figures on the cartel's investments suggest that Wall Street may have more of a stake in future oil prices than it realizes.

Figures compiled by the Securities Industry Association show that the net purchases of Treasury bonds and notes by OPEC investors more than quadrupled last year, to $8.5 billion, up from less than $2 billion in 1988.

The last time these oil-backed investors were not net sellers of Treasury debt was in 1982. In 1981, their net purchases totaled $11.5 billion.

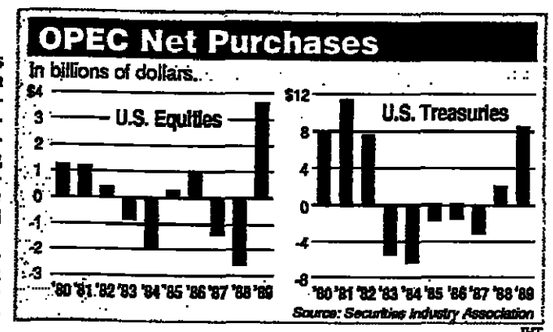
David Strongin, director of international research for the securities group, said the unexpected return of OPEC buyers to the Treasury scene "is the most interesting story" in the government debt markets.

But perhaps the biggest surprise in the association's data is the record-setting level of investment in United States equities by investors in the OPEC nations.

After being net sellers of U.S. stocks during 1987 and 1988, the oil cartel nations made net purchases of nearly $3.6 billion last year.

The previous record for OPEC equity investments on Wall Street was set in 1976, when net purchases totaled just $1.8 billion.

In fact, OPEC's net stock purchases throughout the 1970s, when oil prices were at their highest, averaged just $840 million a year.



The OPEC investors seem to be getting less conservative.

Even in those years in the '80s when OPEC investors were net buyers in American securities markets, stocks were never more than 13 percent of their total purchases.

Last year, by contrast, stocks made up nearly 30 percent of OPEC's total net purchases in New York of $12.09 billion.

Mr. Strongin said he was baffled by this sudden shift of petrodollars into equities in America.

Hussein H. Choucri, managing director in the Middle East group at Morgan Stanley & Co., theorized that the shift is likely spurred by a need to make the most of every investable asset.

"As a result of the slowdown that the Gulf went through in the mid-'80s, investors have emerged with both the knowledge and the need to maximize the returns on the funds that are available," Mr. Choucri said.

Or it may simply be bargain-hunting.

One investment banker pointed to last week's purchase of the Saks Fifth Avenue retail chain by Investcorp Bank E.C., a major private Arab investment bank.

"Not only are they buying company shares," he said, "but they're buying whole companies."

Whatever the reason, the timing of this revival in OPEC investment could not be better, in Mr. Strongin's view.

With the dismantling of the Iron Curtain and the pending regulatory liberalization in the European Community in 1992, some venture-some foreign investors like the British are already beginning to shift money from Wall Street to trendier markets abroad.

"In the 1990s, these new investing opportunities and obligations may lessen the support that foreign investors give to the United States equity markets specifically, and securities markets generally," Mr. Strongin said. "Some of that capital was replaced by flows from investors from the OPEC nations."

But whether this trend will continue hinges to a large degree on the direction of oil prices.

And that depends, in turn, on whether demand outpaces supply.

William L. Randol, senior petroleum analyst at the First Boston Corp., is emphatic in his belief that oil prices are on their way up over the next several years.

"We've gone from a decade in which OPEC-bashing was in vogue to a year, last year, in which people woke up and saw demand growing at twice the rate we expected," Mr. Randol said.

At the same time, America's oil production has plummeted and OPEC's productive capacity has remained relatively flat.

Even if steps were taken tomorrow to finance a major expansion in OPEC capacity — as OPEC ministers have urged in recent months — it would take time to bring new production to market.

And during that time, Mr. Randol said, he expects benchmark oil prices to rise to between $21 and $23 a barrel.

"And if I'm wrong, I think I'm more likely to be too low than too high," he added.

If prices skyrocket, in a replay of the oil shocks of the '70s, OPEC investors will certainly have more cash to invest, but at the risk of another collapse in demand.

Hunger Strike at Hyundai

Workers on Crane Press Demands

Reuters

ULSAN, South Korea — Militant shipyard workers who have occupied a 30-story crane for nearly two weeks have started a hunger strike to press their demands against South Korea's largest exporter.

"We have thrown out all our food and water supplies to press for our demands," said a striker atop the Goliath crane at Hyundai Heavy Industries Co.'s shipyard in Ulsan.

Hyundai executives said they would continue to call on police — even at the cost of lives — to maintain law and order at their facilities. Company-requested police action against union leaders touched off the current wildcat strike.

The shipyard has been paralyzed since April 25, when about 20,000 workers put down their tools to protest against the arrest of union leaders.

The strikers have demanded that police withdraw from the shipyard and jailed union leaders be released.

"There are several here already weakened considerably, and we are prepared to hold funerals inside here in case people die," said the striker on the crane. "But we refuse to come down until the company yields to our requests."

Hyundai Heavy Industries is already pressed to meet outstanding ship orders, mostly from overseas, by the end of 1992. The outstanding orders are worth about $3.4 billion.

The strikers on the crane said boxes of instant noodles, bottles of water, clothing and blankets were tossed away.

The strikers are armed with petrol bombs, barrels of gasoline, nuts and bolts and other home-made weapons and will not permit anyone to climb up the 96-meter (313.5-foot) crane.

In an other incident, hundreds of Hyundai shipyard workers hurled stones and gasoline bombs at police inside an apartment complex, but they were dispersed by tear-gas fired by some 2,000 officers.

The Hyundai yard lost 97.2 billion won ($137.7 million) in fixed expenses and 410 billion won in sales as a result of last year's strike.

Singapore Land Acts Against Bid

Reuters

SINGAPORE — Singapore Land Ltd., in a move designed to fend off a hostile takeover bid, said Saturday that its shareholders would gain from a decision to list an associate company on the local stock exchange.

Its financial adviser, Baring Brothers & Co., said the Singapore Land board had agreed in principle on Friday that Marina Center Holdings Pte. should be floated on the Singapore Stock Exchange.

Investment analysts said the surprise announcement was designed to convince shareholders to reject United Industrial Corp.'s bid for a controlling stake in Singapore Land.

The float will fix a proper market value for Marina Center, one of Singapore's leading retail and hotel investment groups, a Baring statement said. It added, "The board intends that Singapore Land shareholders should have the opportunity to participate directly in Singapore Land's shareholding on the flotation of MCH."

It said United Industrial's bid significantly undervalues Singapore Land and should be rejected. United Industrial, it said, does not wish to acquire 100 percent of Singapore Land, but only to secure effective control.

"The board regards this approach as one which is not designed to offer shareholders and warrant holders a full value for their investment," it added.

United Industrial's bid of 15.00 Singapore dollars ($7.99) per Land share and 7.54 dollars a warrant, valuing it at 2.6 billion dollars, is an inadequate appraisal of the concern's real worth, it said. The bid is conditional on acceptance by holders of 50 percent or more of the shares.

United Industrial, which has been buying Singapore Land shares regularly in the open market since April 6, when it made the bid, raised its stake to 37.5 percent by acquiring 2.04 million shares at 14.80 dollars a share Friday. The takeover offer closes on May 18.

German Managers Endorse Pact

Agence France-Presse

STUTTGART — Metallurgy industry management called over the weekend for the same work-week for laborers throughout West Germany, following Friday's landmark agreement granting metalworkers a 35-hour week in one West German region.

In a commmiqué published here Saturday after a meeting of metallurgy industry employers, Werner Stumpfe, president of the confederation of metallurgy employers, know as Gesamtmetall, said that the agreement with the 700,000 metalworkers in Baden-Würtemberg should be applied in its "essential points" throughout West Germany.

The employers resolution was adopted unanimously at the meeting of the employers confederation, he said.

Along with the reduction of the workweek to 35 hours from 37 hours, which is to be phased in gradually by October 1995, the agreement concluded Friday in Göppingen also provides for a 6 percent pay increase.

The agreement, which included the giant IG Metall union, sent a sigh of relief through financial markets on Friday. The markets had dreaded a repeat of the 1984 strikes, which shut down the entire West German automotive industry for seven weeks and crippled the economy.

In addition to autos, IG Metall's 2.6 million membership covers such key industries as computers, steel and machine tools. The union's wage and conditions agreements are seen as the benchmark for other industries.

In Friday's agreement, the negotiators also agreed to meet before the deadlines for cutting the workweek and decide whether intervening developments warrant changes in the schedule. The next few years include both the final stages of the European Community's single internal market and planned union with East Germany.

Keating Unit Creditors Set Accord With U.S.

Los Angeles Times Service

LOS ANGELES — In a blow to the Arizona businessman Charles H. Keating Jr., the creditors of his bankrupt American Continental Corp. said they have reached a tentative $21 million agreement with the government to seek court approval to oust him and liquidate the Phoenix company.

If approved by the court, Friday's agreement will provide creditors — primarily 22,000 bondholders — a partial recovery of the $200 million they invested in the company, which is now operating under Chapter 11 of the U.S. bankruptcy code.

[In a separate development, an independent court-appointed examiner said that officers and insiders at American Continental broke laws to enrich themselves at the expense of taxpayers and investors, the Arizona Republic reported.

[Examiner Ronald Warnick said in his report that fraud occurred in the buying land financing of a landmark Detroit hotel by Mr. Keating and fellow investors. "At nearly every junction in the HPLP transaction, there were false representations or material omissions in information provided to regulators, public stockholders and creditors," according to a copy of the report obtained by the Arizona Republic.]

A representative for Mr. Keating said that the executive was already planning to resign this week to head a court-approved shareholders committee, which will take part in the U.S. Bankruptcy Court negotiations over the fate of the company, the former parent of the failed Lincoln Savings & Loan in Irvine, California.

If approved by the court, the agreement would settle significant differences between creditors and the Resolution Trust Corp., the government agency operating Lincoln.

Details of the agreement have not been worked out but are expected to be announced by next Friday. The pact "provides that the ACC estate will be liquidated and that those proceeds will be distributed first to the creditors," said Michael Manning, a Phoenix lawyer for RTC.

ABB Tests Takeover Wisdom: Wise Men Rush In

By Barnaby J. Feder
New York Times Service

STAMFORD, Connecticut — When it comes to takeovers, the prevailing view among consultants and top executives is that haste is more likely to make profits than waste.

That assumption is currently being put to the test here at what used to be Combustion Engineering Inc.

Combustion executives were dazzled by the speed with which ABB Asea Brown Boveri Ltd., the world's largest electrical engineering company, agreed to buy their company last November for nearly $1.6 billion.

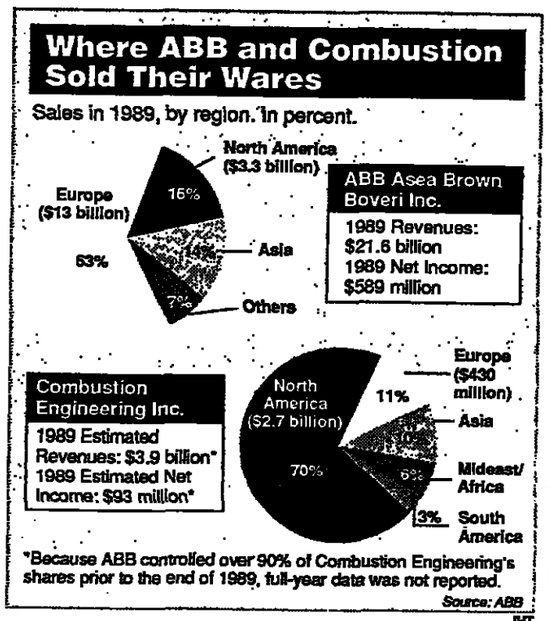
The deal was struck in six weeks, a sharp contrast to Combustion's fruitless efforts over six months to negotiate a cooperative venture with Alsthom SA of France earlier in the year.

Now Combustion is learning that its new Zurich-based parent, itself formed by the 1988 merger of Sweden's ASEA AB and Switzerland's ABB Brown Boveri Ltd., likes to do everything rapidly.

Executives from the two companies are attempting to make within weeks the kinds of decisions on staffing, operations and strategy that often takes other companies months.

"Nothing is worse than procrastination," said Percy Barnevik, ABB's chief executive officer, in an interview. "When I look at 10 decisions I regret or failed to make, there will be nine of them where I delayed."

ABB's reasons for rushing to integrate Combustion are no mystery. Merger and acquisitions experts regularly warn clients that delays in merging companies leave employees uncertain about their future, which can cripple everything from marketing to product development. Delays also give competitors an opening to lure away customers or talented employees.



And, of course, the sooner a company eliminates the cost of overlapping operations and brings businesses together that help each other sell related products, the more likely it is to profit.

Few companies today confront such pitfalls as frequently as ABB. The Combustion deal was the biggest in more than 50 acquisitions since 1988 that have transformed ABB into an enterprise with more than $25 billion in sales and 220,000 employees in 140 countries.

With the Combustion takeover and last year's acquisition of Westinghouse Electric Corp.'s power transmission business, over $7 billion of ABB's revenues and 40,000 employees are now based in the United States.

But, even for an ABB, assimilating a company as big as Combustion is a major challenge.

"It can sometimes take two or three years before you have a coherent culture, something that's humming like a clock," said James Balloun, a consultant who specializes in large mergers for McKinsey & Co. in Atlanta.

There are good reasons why it is easier to praise speedy takeovers than execute them.

Most executives are understandably nervous when they are pushed to make decisions before they are satisfied that they have a comprehensive view of what needs to be settled.

"If you don't have that right, speed will just aggravate every underlying problem," said Larry Shulman, a partner in the Chicago office of Boston Consulting Group.

Often the merger process slows down after the early rush of excitement as executives become increasingly reluctant to make the personal sacrifices they initially took for granted — or to demand them of subordinates.

Moreover, progress can slow because of the need to keep running the business.

Combustion's power services group, which repairs, tests and renovates boilers, now wants to coordinate its work with other ABB units that specialize in related equipment, such as turbines. The idea is to offer complete power-system overhauls.

The first joint marketing programs to selected utilities have already begun.

However, hundreds of Combustion field workers have had few chances to get acquainted with potential partners at ABB. And some utilities are receiving uncoordinated sales calls from Combustion and other ABB units.

"So many people are involved that it's hard to get everyone together," said David Gray, vice president of Combustion's power services group.

In the advance guard of the integration are scores of task forces assembled in January from equal

See ABB, Page 13

CURRENCY RATES

Cross Rates

May 4

	$	£	DM	FF	Lit.	Gldr.	BF	SF	Yen
Amsterdam	1.89	3.713	1.1945	6.335	0.1534 *	—	5.652 *	1.2684	1.1986 *
Brussels(a)	34.67	57.1175	20.626	4.147	2.8159 *	18.342	—	23.826	0.2184
Frankfurt	1.6806	2.77	—	6.298	0.1365 *	0.8894	4.848 *	1.155	1.058 *
London (b)	1.6615	—	2.7755	9.3115	2.634.80	1.824	57.265	2.3978	263.765
Milan	1.231.20	2.028.75	722.57	215.36	—	651.55	35.518	845.86	.7762
New York(c)	—	1.663 b	1.6665	5.5965	1.221.75	1.823	34.394	1.443	158.265
Paris	5.64	9.293	3.3259	—	0.4681 *	2.7942	0.1627	3.8752	3.553 *
Tokyo					Closed				
Zurich	1.444	2.3948	0.8645	0.2577	0.1179 *	0.7892	4.2676 *	—	0.9114 *
1 ECU	1.2194	0.7481	2.8489	6.8754	1.581.16	2.3938	40.2571	1.7748	193.477
1 SDR	1.3839	0.7974	2.1914	N.Q.	N.Q.	2.4444	45.2869	1.8972	N.Q.

*Closings in London and Zurich, fixings in other centers. New York closing rates. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	489.50	Fin. markka	3.967	Mex. peso	2797.81	S. Afr. rand	2.6605
Austral. $	1.2345	Greek drac.	164.70	N. Zealand $	1.7467	Soviet ruble*	0.605
Austr. schil	11.823	Hong Kong $	7.791	Norw. krone	6.511	Sven. kronor	7.1538
Brazil cruz.	59.17	Indian rupee	17.371	Phil. peso	22.10	Swed. krona	6.894
Canadian $	1.1654	Indo. rupiah	1815.51	Port. escudo	148.50	Taiwan $	26.19
Chinese yuan*	4.72	Irish £	0.6264	Saudi riyal	3.75	Thai baht	26.00 *
Danish krone	6.3785	Israeli shek.	1.96	Sing. $	1.878	Turkish lira	2497.80
Egypt. pound	2.6533	Kuwaiti dinar	0.2925	S. Kor. won	705.80	UAE dirham	3.66
		Malay. ring.	2.706			Venez. bolfv.	44.46

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6375	1.6257	1.6212	Canadian dollar	1.1783	1.1758	1.1732
Japanese yen	158.57	158.39	158.21	Swiss franc	1.4543	1.4534	1.4530
Deutsche mark	1.6804	1.6795	1.6793				

Sources: Indosuez Bank (Brussels); Banco Commerciale Italiano (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	May 4	Apr. 27	Chge
DJ Indus.	2,710.36	2,645.85	+2.47 %
DJ Util.	208.38	203.72	+2.29 %
DJ Trans.	1,145.09	1,128.29	+1.50 %
S & P 100	338.65	329.41	+2.62 %
S&P 500	338.39	329.11	+2.82 %
S&P Ind	394.20	383.24	+2.83 %
NYSE Cp	185.37	180.74	+2.56 %
Britain			
FTSE 100	2,162.20	2,106.60	+2.64 %
FT 30	1,676.80	1,658.70	+2.30 %
Japan			
Nikkei 225	Closed	29,585.00	— %
West Germany			
DAX	1,905.69	1,825.52	+4.39 %
Hong Kong			
Hang Seng	2,946.97	2,986.33	—1.32 %
World			
MSCIP	485.00	478.80	+1.30 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	May 4	Apr. 27
Discount rate	7.00	7.00
Federal funds rate	8.15	8 3/16
Prime rate	10.00	10.00
Japan		
Discount	5%	5%
Call money	Clsd.	7 3/16
3-month interbank	—	7 5/16
West Germany		
Lombard	8.00	8.00
Call money	7.95	7.45
3-month interbank	8.25	8.30
Britain		
Bank base rate	15.00	15.00
Call money	15 1/16	14 -15/16
3-month interbank	15¼	15 5/16
Gold	May 4	Apr. 27	Chge
London p.m. fix $	371.30	371.60	—0.08 %

INTERNATIONAL BusinessWeek
This week's topics:
O Economic Tremors In California
O New Corporate Design: Statelessness
O Trump: Can He Save His Empire?
O Carl Icahn's Plans For TWA
O Scoreboard: Profits Of 900 Companies
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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. May 4

Australian Dollars

Issuer	Con	Mat	Price	Yld	Spd Trsy
A B N Austral	14½	94	112½	9.40	
A I D C	12⅝	91	96½	16.84	
A I D C	14	92	97½	15.27	
A I D C	12¾	98	96½	21.14	
Amro Bank	13¾	90	96¼	19.61	
Anz Bk Gp	16¼	92	100	16.11	
Anz Bk Gp	n.a.	91	84¼	18.92	
Anz Bk Gp X/w	13	92	93½	16.51	
Austri Control	12¾	93	95	14.37	
Austri Control	13¾	94	99	13.89	
Austri Volksbk	13¾	90	96¾	20.20	
Austria	14½	92	100	14.24	
B M W Fin	14½	92	97¾	14.96	
B N P	14	91	96¾	16.52	
B N P	14	91	96¾	16.32	
B N P	12½	93	94¾	14.55	
B N P (Aust)	14	90	97	19.82	
B P Capital	14½	92	99¼	14.53	
B P Capital	12¾	92	96⅝	15.04	
B P Capital'A'	13¾	92	98	14.80	
Barclays	12¾	90	96¼	21.31	
Bayernhyp Fin	13¾	90	96⅞	19.06	
Berliner Bk	14	90	97½	20.88	
Bfg Finance	13	90	97½	21.30	
Bq Genl Lux	13¾	90	96⅞	20.04	
C B A	12⅞	93	94⅝	14.90	
C B A	15½	94	101½	14.78	
C B A	14	94	98⅝	14.50	
C B A	14	95	97⅞	14.60	
C B A	13¾	99	96⅝	14.43	
C B A	12⅞	90	96	19.25	
C C F Aust	14	90	97¼	20.48	
C I B C Austri	14⅜	90	97½	17.76	
Chrysler	13⅝	92	93	17.42	
Colgate-Palm	14½	91	96½	16.95	
Commerzbank	12¾	90	96½	21.98	
Commerzbank	13¾	90	97¼	21.63	
Council Europe	14	92	99½	14.37	
Council Europe	13	93	96½	14.54	
Cr Lyonnais	13	91	96⅜	16.76	
Cr Lyonnais	14	91	97	16.24	
Cr Lyonnais	13⅝	90	97	19.34	
Cr Suisse	14½	92	97⅞	15.74	
Creditanst	12⅞	90	96¼	20.49	
Creditanst	14⅛	90	97⅝	20.53	
D F C Finance	13⅞	90	35	n.a.	
D G Bank	12¾	90	97	21.01	
D G Bank	14	90	97	20.33	
Denmark	13	91	97⅛	17.14	
Deut Bk	14¼	92	97⅞	15.82	
Deut Bk	13⅞	93	96	14.80	
Deut Bk	13¼	95	93⅝	14.68	
Deut Bk	12⅛	95	91⅛	14.60	
Deut Bk	12⅝	90	96	19.93	
Deut Bk	13⅝	90	97½	21.33	
Deut Bk Aust	14½	95	100	14.50	
Deut Bk Fin	14½	92	98	15.74	
Deut Bk Fin	15	94	101¼	14.39	
Dresdner	12¾	90	96½	22.54	
Dsl Bank	13¾	90	97	21.02	
East Kodak	13	90	97¼	18.34	
East Kodak	n.a.	92	71¾	17.63	
Eurofima	12½	93	95	14.56	
Eurofima	13½	94	97¾	14.20	
Eurofima	13	95	97¼	13.82	
Exportfin	12¾	95	92⅞	14.59	
Exportfin	18	90	97⅞	15.58	
F B D B	19	90	100¼	16.40	
Fiat Fin Trade	14¼	90	97½	23.86	
Ford Cred Aus	14	92	97¾	15.22	
Ford Cred Aus	13	93	96	14.76	
Ford Cred Aus	13½	93	97	14.67	
Ford Cred Aus	15¾	94	102¼	14.98	
Ford Cred Aus	12⅝	90	96¾	21.47	
Ford Motor Cr	13⅝	90	97¾	17.25	
Ford Motor Cr	13¾	91	97	17.33	
Genfinance	13¾	90	96⅛	21.69	
Girozentr Wien	12¾	92	96¼	15.07	
GMAC	14¼	91	97⅝	16.65	
GMAC Aust	12⅝	91	96⅝	15.64	
GMAC Aust	13⅝	92	97¼	14.86	
GMAC Aust	13⅝	92	97⅝	15.23	
GMAC Aust	16	92	101½	15.05	
GMAC Aust	15⅝	93	100⅝	14.98	
GMAC Aust	14	98	97⅛	24.09	
Heinz	12⅝	91	96⅝	15.60	
I B M	15¼	93	101½	14.56	
I B M Aus Cred	12⅝	92	96½	14.95	
I B M Aus Cred	13	92	97	15.07	
I B M Aus Cred	14	92	101¼	15.01	
I B M Aus Cred	14⅝	93	[illegible]	14.76	
I B M Aust	13⅝	91	[illegible]	15.32	
I B M Aust	15½	92	100⅞	14.59	
I B M Aust	15⅞	93	102⅝	14.69	
I C I	15	92	99⅜	15.15	
I C I	15½	92	100¼	15.29	
Indust Kred Bk	12⅝	90	96½	21.60	
Kraft	13⅝	91	94¼	17.73	
Kredietbank	14⅜	90	97⅞	20.97	
Mcdonalds	14⅜	91	98⅜	15.70	
Midland Aust	13⅝	90	97	22.31	
Montreal Tstco	14⅝	90	97¼	18.28	
N S W Treasury	14¼	92	99⅝	14.72	
Natl Austri Bk	14¼	94	100⅜	14.51	
Pepsico	13	90	96½	20.16	
S B C Cav	14	90	98	29.91	
S E C Victoria	15¼	94	100⅝	14.95	
S E C Victoria	12⅞	95	91⅝	14.67	
S E C Victoria	n.a.	96	40½	15.10	
S E K	13⅝	91	97	15.57	
S E K	14½	92	99⅛	14.64	
S E K	12⅞	93	96⅛	14.44	
Skandi Enskild	13⅝	90	98	16.75	
Soc Gen	13	92	97⅛	14.39	
Soc Gen	12½	93	96⅝	14.73	
St Bk Nsw	12⅞	91	96½	15.92	
St Bk Nsw	13⅝	93	97⅝	14.39	
St Bk Nsw	14⅛	99	98	14.61	
St Bk Sth Aust	15¼	94	101⅛	14.81	
Sth Aust Govt	n.a.	95	59⅝	15.91	
Sth Aust Govt	n.a.	98	73	17.68	
Sth Aust Govt	n.a.	99	[illegible]	17.82	
Sweden	14	95	102¼	14.17	
Sweden	13⅞	94	97	14.42	
Tor-Dom Aust	14½	92	100⅝	15.73	
Tor-Dom Aust	14½	90	97⅛	22.98	
Tor-Dom Bk	18	90	99½	17.98	
Toyota Credit	13	91	96⅝	15.24	
U B S Fin	14	94	98⅝	14.45	
Volkswagen	15	94	101½	14.47	
Westd Ldbk	12⅝	90	96½	21.54	
Westlb Fin	13⅝	90	96¼	19.84	
Westlb Fin	13⅝	90	97⅛	24.73	
World Bk	13⅝	92	98	14.39	
World Bk	14½	94	98⅝	14.59	
World Bk	12¼	94	92	13.94	
World Bk Feb	14½	92	99¼	14.28	
World Bk Jul	12⅝	93	96	14.33	
World Bk Mar	12⅝	93	97	14.05	

Canadian Dollars

Issuer	Con	Mat	Price	Yld	Spd Trsy
A I D C	10	91	96¼	14.45	+76
A I D C	10⅝	93	89	14.63	+124
A K Z O	9¾	90	98¾	14.07	+38
A K Z O	11	91	94¾	14.97	+128
Abbey Natl	10⅞	94	89¾	14.00	+92
Abbey Natl	10⅝	93	90	14.80	+138
Alberta Prov	10⅞	94	90⅞	13.66	+56
Amer Genl	10	91	94	14.97	+128
Amex	10⅞	90	99¼	13.80	+11
Amex	10¼	90	97¼	14.19	+50
Arco Fin	11	93	90½	14.73	+137
Asik-Coer	10⅝	91	93¾	15.04	+135
Asik-Coer	11½	91	97	15.04	+135
Austri Control	10⅝	93	93½	13.77	+31
Austri Control	10⅜	93	85⅞	13.09	+72
Austri Control	9	97	91½	10.80	-184
Austri Sparkas	9⅝	92	91¾	14.38	+70
Austria	10	91	96	13.08	+44
Avco Fin Serv	10¼	92	91¼	15.15	+153
Avco Fin Serv	11⅛	92	[illegible]	15.08	+153
B C Province	13½	91	98¼	14.69	+100
B C Province	9¾	96	83	13.55	+78
B C Telephone	12⅝	89	94¾	14.26	+69
B F C E	10	94	88¾	13.77	+67
B N P	11⅛	92	96	13.75	+6
B N P	10⅛	94	88	13.96	+88
B N P	10⅝	91	94½	14.80	+111
Bacob Finance	11½	91	97	15.09	+140
Barclays	10⅝	93	91¾	13.82	+41
Bayernhyp Fin	10⅜	92	91¾	14.35	+80
Bca Lavoro	11⅛	91	97	14.91	+122
Bell Canad Reg	9⅞	96	93½	11.41	-135
Bell Canada	10⅝	96	56⅝	13.19	+82
Bell Canada	10⅞	04	85½	13.14	+111
Bell Canada	10⅛	98	98⅛	14.13	+44
Bell Canada	10	91	96	14.85	+116
Bell Canada	9⅝	00	78	12.64	+71
Bell Enterprs	9⅝	93	89¾	14.03	+58
Bergen City	8½	94	83½	14.36	+118
Berliner Bk	10¼	91	94	14.47	+78
Bhf-Bk Fin	10⅝	92	92	14.49	+81
Bk Montr Real	10⅝	92	91½	14.86	+132
Bk Montr Real	9½	96	83¾	13.61	+85
Bk Montreal	10⅜	90	97⅝	14.55	+86
Bk Montreal	10¼	91	93¾	15.17	+148
Bk Montreal	11⅜	91	96¾	15.21	+152
Bk Nova Scotia	9⅝	97	90	11.88	-78
Bk Tokyo	10⅛	92	93¾	14.93	+124
Bk Tokyo	8½	94	83	14.38	+120
Bmw Fin	10⅝	95	86½	13.97	+108
Borden Inc	10⅝	93	89¾	14.35	+108
Bq Intl Lux	11	92	101½	10.25	-128
Bq Paribas	10¼	91	93¾	15.02	+133
Brit Colomb	9¾	93	89½	13.92	+44
Brit Colomb	9¾	90	96¾	14.16	+47
Brit Colomb	12¼	91	96½	14.72	+103
Brit Columb	12	93	93½	14.36	+108
Brit Columb	9⅝	01	79	13.05	+83
C B A	9½	92	92¼	14.88	+119
C C J Quebec	10	91	93¾	14.89	+120
C E P M E	10	91	97½	11.59	-210
C I B C	10⅜	90	98	14.51	+82
C I B C	9⅝	91	94¾	14.46	+77
C I B C	10⅝	91	94¾	14.57	+88
C I B C	9⅝	91	95¾	14.51	+82
C I B C	11¼	91	97½	14.34	+65
C I B C	11⅝	91	101½	10.48	-321
C I B C	9	92	89½	14.91	+127
C I B C Sing	11⅝	94	93	14.16	+98
C N T	9½	94	87	14.21	+95
Can Natl Railw	9⅞	94	87½	14.25	+105
Can Natl Railw	12½	95	95½	13.80	+88
Can Natl Railw	9⅝	96	82	11.73	+102
Canada	n.a.	01	29	11.90	-34
Canada Treas	9¼	99	84	12.31	-3
Canada Trust	9¾	92	93	14.59	+90
Can Trustco	10⅝	93	89½	14.66	+122
Canadian Pacif	10⅝	98	98	14.18	+49
Carlsberg	10	97	83½	13.70	+111
Cdn Natl Railw	11⅝	93	93½	14.05	+63
Chrysler	10	91	95½	15.07	+138
Chrysler	12⅝	92	95¾	15.09	+145
Chrysler Fin	11	93	91½	14.92	+141
Coca-Cola	11	93	84½	14.62	+131
Commerzbank	10¼	92	86¼	14.46	+91
Commun Urb	8½	97	77½	13.60	+98
Cr Lyonnais	11⅛	96	97¾	14.51	+82
Cr Suisse	n.a.	00	30½	12.93	+61
Creditanst	9	91	93	15.05	+136
Creditanst	10⅝	94	101½	9.91	-312
Cregem Fin	12	92	95	14.54	+94
Dai-Ichi Kb	9¾	92	90½	14.76	+115
Denmark	11⅛	91	97¼	14.87	+118
Denmark	9⅞	92	91⅝	14.71	+102
Denmark	9⅝	92	91	14.78	+116
Deut Bk	9⅝	92	86¼	13.78	+57
Deut Bk	9	94	84⅞	13.08	+74
Deut Bk Fin	10¼	94	97½	14.14	+55
E D C	9⅞	93	89½	13.83	+38
E D C	n.a.	96	50½	12.60	-20
E D F	10½	95	88⅝	13.38	+46
E D F	9¾	00	82¼	13.13	-76
E E C	11¼	91	97	14.64	+95
E I B	10⅛	98	85⅞	13.09	+65
E I B	10⅝	99	84½	13.07	+73
E I B	9½	91	93	14.61	+92
E I B	12	95	94¼	13.47	+57
E I B	9	96	81¾	13.58	+83
Eldorado Nucle	11⅝	93	95	13.92	+45
Electrolux	9¾	91	95¼	15.07	+138
Eurofima	10⅝	96	88	13.18	+49
Exportfin	10⅛	93	88	13.95	+87
Exportfin	10⅝	94	89½	13.90	+85
F B D B	11½	92	96⅛	13.92	+23
F B D B	10⅝	91	95⅜	13.76	+7
F B D B	9	91	93	14.79	+110
F B D B	10¼	91	94⅞	14.55	+86
F B D B	10⅝	91	95	14.46	+77
F B D B	9⅝	91	94⅞	14.74	+105
F B D B	11⅝	92	95¾	14.66	+97
Farm Credit	12¼	90	98¾	14.07	+38
Farm Credit	9½	91	95¼	14.81	+112
Farm Credit	9	91	92¾	14.66	+97
Farm Credit	10	92	94¼	14.64	+115
Farm Credit	12⅝	93	94½	14.54	+107
Ferrovie Stato	10⅝	93	90½	13.83	+54
Fiat Fin Trade	10½	91	95⅛	15.15	+146
Fiat Fin Trade	10¼	93	89¾	14.23	+94
Fin Dan Ind	10⅝	91	97	14.58	+89
Fin Exp Cr	10¼	93	94	14.07	+57
Fin Exp Cr	10¼	91	96¼	14.85	+116
First Austrian	9⅝	91	93¼	14.52	+83
Ford Cred	11⅛	92	95	13.77	+22
Ford Cred Can	10¼	93	90⅞	13.99	+64
Ford Cred Can	10⅝	93	93	13.89	+40
Ford Cred Con	10	91	88¾	13.81	+71
Ford Cred Can	9	91	93¼	14.93	+124
Ford Cred Can	10⅝	92	92½	14.80	+123
Ford Cred Can	10	91	93½	14.81	+117
Ford Cred Con	10	93	89½	14.60	+114
Ford Cred Can	10¾	93	89	14.35	+105
Ford Motor Cr	10	92	98	13.73	+4
Ford Motor Cr	11¾	92	96¼	13.97	+31
Ford Motor Cr	10⅝	96	88¾	13.88	+109
Ford Motor Cr	10⅝	90	98¾	14.15	+46
Gaz De Fra	11¾	95	94	13.49	+55
Gaz Metrop	10⅝	95	87	14.07	+125
Gen Ele Cap	10⅛	93	91	13.65	+31
Gen Ele Cap Ca	9½	93	89¾	13.83	+41
Gen Ele Cap Co	10⅛	94	88½	13.83	+78
Gen Motors	9½	91	92	15.08	+131
GM Canada	9⅝	91	92	15.00	+131

ECU Straights

Pound Sterling

Yen Straights

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MUTUAL FUNDS

Figures as of close of trading Friday, May 4.

NL — No initial sales load. f — Previous day's quote. r — Redemption charge may apply. x — Ex dividend.

New International Bond Issues

Compiled by G. Jennifer Shapiro

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Fixed-Coupons						
General Electric Capital	$200	1994	9⅝	101⅜	100.25	Noncallable. Fees 1⅝%. (Kidder Peabody Int'l.)
Merrill Lynch & Co.	DM 100	2000	zero	43⅜	—	Noncallable. Fees 2½%. (Merrill Lynch Bank.)
National Bank of Hungary	DM 200	1996	9¾	100	—	Noncallable. Fees 2⅝%. (DG Bank.)
Tesco PLC	£100	2015	10½	99.586	—	Noncallable. Fees 2%. (Kleinwort Benson.)
Woolwich Building Society	£50	1992	15¼	101⅛	—	Noncallable. Fees 1⅛%. (Deutsche Bank Capital Markets.)
European Investment Bank	ECU 200	1997	10	96.61	97.15	Noncallable. Fungible with a previous 800 million ecu bond. Fees 0.30%. (Banca di Roma.)
Compagnie Bancaire	FF 600	1992	10¼	101.10	100.05	Noncallable. Fees 1⅛%. (Crédit Commercial de France.)
Skobank	FMK 205	1992	14	100.90	—	Noncallable. Fees 1⅛%. (Bankers Trust Int'l.)
World Bank	C$ 150	1995	13¼	101⅜	100.80	Noncallable. Fees 1⅞%. (IBJ Int'l.)
Commonwealth Bank of Australia	Aus$ 100	1993	15½	102	100.62	Noncallable. Fees 1½%. (Hambros Bank.)
Deutsche Bank Australia	Aus$ 50	1995	14½	100⅝	98.875	Noncallable. Fungible with a previous 100 million australian dollar bond. Fees 2%. (Deutsche Bank Capital Markets.)

Employment Data Convince Market Fed Can't Raise Interest Rates Soon

Compiled by Our Staff From Dispatches

NEW YORK — Treasury bond prices rose sharply last week, boosted on Friday by a weaker-than-expected U.S. employment report that indicated the central bank is unlikely to push interest rates higher in the near future.

U.S. CREDIT MARKETS

The bellwether 30-year bond rose 2 1/32 point, to 96 20/32. At that price, the yield was 8.82 percent, down from 9.03 percent a week earlier.

The yield on the benchmark issue had fallen below 9 percent on Thursday, and demand for Treasury bonds exploded on Friday after the government said that only 64,000 nonfarm jobs were created in April and the unemployment rate rose by two-tenths of 1 percent, to 5.4 percent, its highest level in 15 months.

Those who invest in fixed-income debt viewed the jobs data as precluding any moves by the Federal Reserve Board to force up interest rates in its fight against inflation. The weak jobs data itself was also seen as lessening upward pressures on prices.

But the bond market's euphoria was tempered by fears that a weaker domestic economy would undermine the dollar, which fell after the employment figures were released.

On Friday, however, as prices rose, many market participants who had sold Treasury bonds short rushed to close out their positions.

"This is the best day we've had in quite a while as far as the bond market is concerned," said F. Ward McCarthy, a managing director of Stone & McCarthy Research Associates of Princeton, New Jersey.

"It just obliterated the perception that the Fed might tighten, certainly in the near term," he said. Mr. McCarthy noted that job statistics showed "absolutely no significant acceleration of economic activity."

Mr. McCarthy said the jobs report significantly indicated no acceleration in wage earnings, a potential source of inflation. "What it suggests is that patience will be required but we are going to see decreasing inflation," he said.

While bond markets somewhat perversely thrive on economic bad news, Mr. McCarthy said the weak employment report is good news for others too.

April's weak employment results, he said, indicate that the economy "is growing at a very manageable rate and a rate that over a long period of time is not going to magnify inflationary pressures.

William V. Sullivan Jr., senior vice president at Dean Witter Reynolds Inc. said he was unsure how much of an impact the decline in Treasury yields would have on this week's auction of $30.5 billion in Treasury securities.

"One thing in the Treasury's favor is that yields on West German and Japanese government bonds have been falling," Mr. Sullivan said.

The yield on the West German 10-year bonds dropped 29 basis points on Friday, to 8.51 percent, or 33 basis points below the yield on the Treasury's 10-year notes. The last quoted yield on 10-year Japanese bonds was 7.42 percent.

(UPI, NYT)

■ Jefferies Link to Drexel

Anise C. Wallace of the New York Times reported:

A former employee of Drexel Burnham Lambert Inc. who now works for Jefferies & Co. has reportedly received a "target letter," which is used by federal prosecutors to inform recipients they are potential defendants in a criminal proceeding.

The letter, first reported by the Investment Dealer Digest, a trade publication, is a sign the reputation of the Los Angeles brokerage may be hurt by its controversial ties with ex-Drexel employees.

Betting on a rebound in the "junk bond" market, Jefferies over the last month has hired one of the largest groups of junk bond professionals from Drexel. So far, 15 bankers, traders, salespeople and analysts from Drexel now work for Jefferies in Beverly Hills, California.

WALL STREET REVIEW

Figures as of close of trading Friday, May 4.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
AGnCp	127864	48⅝	38¼	48¼	+8⅝
vlAmesD	98347	3¼	1⅛	3	+1¼
Chase	75305	25¾	24	24½	—¾
PhilMr s	73184	43⅝	41½	43⅜	+1⅝
IBM	71267	110⅝	107	110½	+4⅝
Citicorp	66376	22⅞	21¾	22⅝	+⅞
BrMySq	62616	56⅞	54⅝	56⅜	+1¼
GnMotr	59528	45¾	43¾	45¼	+¾
SecPac	53121	37½	35¾	37⅜	+1⅜
GenEl	51176	65⅝	63¾	65⅜	+1½
TexUtil	50461	35⅝	34	35⅝	+1⅛
Boeing s	48264	74¼	68½	74	+5¼
Tosco s	47426	22⅝	16	17⅜	—5¼
AT&T	47250	40⅝	39⅝	40⅝	+½
Texaco	45737	59¼	57⅛	58⅝	+1½
WalMrt	45376	51⅝	48	50⅝	+2¼
Baxter	45031	22⅛	20½	21½	+⅞
Schlmb	44649	54¼	47¾	54¼	+4⅝
AmExp	43927	27¼	26¼	26⅞	+½
UCarb	43573	19⅝	18⅝	19⅛	—⅛
Chryslr	42408	16½	14½	16⅜	+1⅝
Exxon	41517	46⅝	45	46½	+1½
Pfizer	41449	58½	55	57	—¾
McDnl s	40957	31⅞	30	31⅞	+1½
FdNM s	39865	35⅛	33½	34⅞	+⅞

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
EchoBy	33782	14⅛	10⅞	11⅜	—2⅝
Diasonc	19172	3⅜	3⅛	3¼	+⅛
SFT 593pwi	18067	3⅝	3⅝	3⅝	
Hilhav n	17434	1⅛	1	1	—⅛
BAT In	16407	11⅝	11	11⅜	—⅝
SNk 93cwi	14842	4⅛	3¼	4¼	+⅞
Caron g	12925	7	6⅝	7	+⅜
Telesph	10112	5⅛	4⅝	5	+½
Amdhl	9889	13¾	13⅛	13¼	—⅛
WDigitl	9708	11¼	10⅞	11⅛	
ENSCO	9097	4½	4⅝	4½	
TexAir	8993	6⅞	6	6⅝	+⅛
HomeSn	8551	7⅝	6⅝	7⅛	—¼
DowC rt	8448	10⅝	9⅝	10⅝	+⅜
FruitL	8006	14	13¼	14	+⅜
WangB	7509	4⅛	4¼	4⅛	—⅛
PW Nk cwt	7323	4⅞	4⅛	4⅝	+½
Nabors	7192	5½	4⅞	5⅛	+⅜
Elan	6848	15⅝	13¾	15½	+1⅝
ICH	6770	2⅞	2¼	2⅝	
Kirby	6128	9½	8¾	9	+⅛
SNk I93wt	6075	10	8⅝	8⅝	—1½
SFT 393pwt	6032	5½	4⅝	4⅝	—⅞
AMed wi	5535	6½	4⅞	6½	+1⅞
SNk I93wt	5310	10⅞	9⅛	9⅛	—1½

NYSE Sales

	Sales Vol.
Total for week	699,500,000
Week ago	678,950,000
Year ago	816,240,800
Two years ago	755,430,000
Jan 1 to date	13,417,415,000
1989 to date	14,305,540,000
1988 to date	15,257,300,000

AMEX Sales

	Sales Vol.
Total for week	55,200,000
Week ago	67,830,000
Year ago	53,290,000
Jan 1 to date	1,240,780,000
1989 to date	982,490,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1207	559
Declined	676	1328
Unchanged	289	286
Total issues	2172	2173
New Highs	50	27
New Lows	235	296

AMEX Diaries

	This Wk	Last Wk
Advanced	413	307
Declined	378	497
Unchanged	196	180
Total issues	987	984
New Highs	25	17
New Lows	102	104

BASE CONSUMER SELLING PRICE — W.E. 4/5/90

CARBON VAPOUR SET DIAMOND* IN 18KT. HALLMARKED GOLD.	TOTAL DIAMOND WEIGHT-CARAT	US$ PER PIECE
CLEAN, H COLOR, EXCELLENT MAKE 1 POINTERS. DIAMOND SETTINGS.	1.00	2,560
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	0.50	1,280
	0.25	640

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African States Approve Plan For Airline

Reuters

ALGIERS — Transportation ministers from five North African states approved a draft agreement to form a joint airline, the Algerian news agency APS said Sunday.

The airline, dubbed Air Maghreb, would start alongside the existing carriers of Algeria, Libya, Mauritania, Morocco and Tunisia, which formed a regional economic group last year. Officials have said the airline would start by serving selected cities within the region and gradually absorb routes, planes and crews of the five existing carriers.

The ultimate goal is a regional giant able to compete with European carriers that now dominate the heavy tourist, migrant worker and business traffic to North Africa.

APS said directors of the five airlines — Air Algerie, Libyan Arab Airlines, Air Mauritanie, Royal Air Maroc and Tunis Air — would meet on June 5 to finalize the airline's creation.

Campeau to Sell Canadian Property

Divestment Forms Part of Firm's Restructuring Plan

United Press International

TORONTO — Campeau Corp. said it planned to sell off a substantial portion of its Canadian real estate assets as part of a five-point business plan to restructure the debt-ridden company.

In addition, Campeau disclosed that it was attempting to reach standstill agreements with Olympia & York Developments Ltd. and Youngstown, Ohio-based Edward J. DeBartolo Corp.

In a circular to holders of the company's debentures Friday, Campeau said that it was negotiating with "prospective purchasers of its real estate and other assets, creditors and other interested parties" to resolve its financial difficulties.

Campeau's Canadian real estate assets include mixed-use and office buildings in Ontario and Quebec, and interests in nine regional shopping centers in Ontario.

Richard Wertheim, a spokesman for Campeau, said terms of the recently completed restructuring plan could change after negotiations with creditors and depending on business conditions.

"No plan for any business is ever cast in concrete," he added.

Campeau's two U.S. retailers — Federated Department Stores Inc. and Allied Stores Corp. — filed for Chapter 11 federal bankruptcy protection on Jan. 15. The two companies reported net losses for March, but both reported operating profits for the month on Friday.

Olympia & York holds $260 million principal amount of Campeau's 7 percent subordinated convertible debentures and about $40 million principal of its 7.5 percent convertible subordinated debentures.

Northwest Has Problems With Airbus Flight Controls

The Associated Press

MINNEAPOLIS — Northwest Airlines has had recurring problems with the computerized flight controls on its new Airbus A320s, airline and federal records show, but officials say the problems haven't endangered any passengers.

In early March, Northwest sent pilots a bulletin advising them to be aware of possible problems following "a recent series of events related to suspected" failures in the cockpit computer system, the Star Tribune reported Sunday.

Northwest said last week it is involved in discussions with the Federal Aviation Administration and Airbus Industrie on ways to prevent and correct the problems, the newspaper said. Northwest is the only U.S. airline flying the plane.

An Airbus spokesman did not return a phone call seeking comment Sunday.

The A320 is the only commercial aircraft that uses computers to operate all flight controls. Two A320s have crashed since 1988.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Holdings (Seaboard) N.V.

The Annual Report as of 31st December 1989 has been published and may be obtained from:

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As shown in the Report the net asset value per share appreciated in 1989 by 24.8%.

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Shareholders are hereby convened to attend the

ANNUAL GENERAL MEETING

of shareholders of our company, which will take place at the company's registered office, 2 boulevard Royal, 2953 Luxembourg, on May 15, 1990 at 11:00 a.m. for the purpose of considering and voting upon the following agenda:

1. Submission of the reports of the Board of Directors and of the Auditor;
2. Approval of the Statement of Net Assets at December 31, 1989 and the Statement of Operations for the year ended December 31, 1989;
3. Allocation of the net results;
4. Discharge to the Board of Directors;
5. Receipt of and action on nomination of the Directors;
6. Miscellaneous.

Resolution on the agenda of the annual general meeting will require no quorum and will be taken at the mojority of the votes expressed by the shareholders present of represented at the meeting.

In order to attend the meeting of May 15, 1990, the owners of bearer shares will have to deposit their shares FIVE clear days before the meeting at the registered office of the company or with Banque Internationale a Luxembourg, 2 boulevard Royal, - L - 2953 Luxembourg.

The Board of Directors

Costa Rica Signs Deal For Debt Reduction

Reuters

SAN JOSE, Costa Rica — The Costa Rican government and international bankers signed a historic agreement on Saturday that allows the country to buy back 64 percent of its $1.8 billion commercial debt at 16 cents on the dollar.

"It's one of the more creative, innovative programs we've been able to put together so far," said Gerald Corrigan, president of the Federal Reserve Bank of New York.

Under the agreement, Costa Rica will pay $184.3 million for $1.15 billion of commercial debt plus $69 million in interest payments.

The agreement will reduce the country's unwieldy $4 billion foreign debt to $2.8 billion.

Costa Rica is also committed to exchanging at least $100 million of its remaining $550 million commercial debt in debt-for-equity swaps over the next five years.

The president of the Costa Rican central bank, Eduardo Lizano, said his government has collected "almost all" the $253 million it must pay before a May 21 deadline.

The U.S. Agency for International Development will donate between $30 million and $33 million for the purchase. Other lenders include Holland, Taiwan, Mexico and Venezuela.

Jim Jardine, chairman of the Bank Advisory Committee, said Costa Rica reached an agreement with the bankers because its economic development programs have been "unique."

President Oscar Arias, who is to leave office next Tuesday, said the bankers had adopted a "visionary and realistic attitude."

Brazil Ends Import Ban On Over 1,000 Products

The Associated Press

BRASILIA — The Brazilian government has ended a 15-year ban on imports of 1,150 products, from cars to perfume, in a campaign against speculation and shortages.

It also scrapped a law that restricted the telephone-equipment market to the subsidiaries of Ericsson of Sweden, Siemens AG of West Germany and NEC Corp. of Japan.

From now on, Brazilian markets will be open to foreign-made television sets, refrigerators and other appliances, as well as cars, motorcycles, perfumes, caviar, liquor and many other goods, the Economy Ministry announced Friday.

Details about customs duties and taxes were to be announced.

The policy has a short-term and a long-term goal. Mr. Maia said in an interview published Friday in the Gazeta Mercantil newspaper. In the short term, he said, imports will be a "powerful instrument" against speculative price rises and the threat of shortages. Anti-inflation reforms in March led many industries to reduce production, and the government fears that shortages will lead to black-marketeering and a resurgence of 4,854 percent inflation.

The long-term objective is to end the "cartels" that dominate important sectors of the national economy, Mr. Maia said.

Separately, the central bank said in a quarterly report that Brazil had a $3.08 billion balance of payments deficit in 1989, a sharp reversal from the $6.98 billion surplus registered for 1988. The deficit reflects a net outflow of capital of $4.1 billion in 1989.

EUROBONDS: *Citibank Global Bond Blazes Trail*

(Continued from first finance page)

government agency paper and can be lent (for a fee) as collateral in the repo market, enhancing the income for investors holding the paper.

Another advantage is the World Bank's tax-free status. Although targeted to be sold to institutional investors, there is no paperwork obstacle to individual investors buying its globals.

In the past, private investors and institutions unwilling to buy in the U.S. market drove yields on Eurodollar bonds below those prevailing in New York (prompting the foreign-targeted issues of the Treasury). In a situation where dollar investments are sought, international demand for the World Bank global could drive up the price of the bonds creating a lucrative opportunity for spread traders to move out.

The Citibank securities will have none of these actual or potential advantages. Its paper, although highly rated, is not above any credit suspicion the way a multilateral institution like the World Bank is, nor beyond the whimsy of the U.S. government. The dispute over the U.S. freezing of Iranian and Libyan bank deposits still rankles in Europe, leaving a distaste for U.S. registered securities.

All things considered, the pricing of the Citibank issue should shed some light on how much investors are prepared to pay in lower yield for paper that can be traded globally. Outstanding credit-card backed Eurobonds trade at a spread of 75 basis points over Treasury yields while domestic U.S. bonds trade at a spread of about 84 basis points. Citibank hopes to strike a mid-price, just as the World Bank did.

G7: *Countries Fear Eastern Europe Will Drain Funds*

(Continued from page 1)

head-on approach" taken by Poland. He noted that IMF credits were used to help ease the shock of transition in that country and said tha "the Polish authorities have changed their country, and with less unpopularity than if they had adopted a gradual strategy."

The Third World countries are more anxious about the availability of long-term development capital. Such public-sector loans, for projects such as building infrastructure and cleaning up the environment in Eastern Europe, fall more within the World Bank's area.

Bank officials pointed out that in 1988, they began a five-year capital program to increase annual loans to $25 billion a year, and that easily allows for a total of $5 billion for Eastern Europe.

But the officials expect most of Eastern Europe's capital to be provided by private investors. Private bank lending for general government support has dried up because multinational banks do not want to repeat the mistakes of the 1970s. Instead, officials of the Institute for International Finance, a bank lobby group, say the big banks will support their industrial clients in "bankable projects."

World Bank officials warned that this may produce the feared credit crunch by draining private capital from Latin America and Africa, unless countries on those continents follow Eastern Europe in political and economic liberalization.

Mr. Chidzero of Zimbabwe showed a lively appreciation of this threat by declaring that Third World countries realize that they are more likely to attract investment by reforming and liberalizing "all policies — prices and wages, taxation." He added that "if you have infrastructure and fiscal reform, you are likely to have investment flows. And if there is more confidence, then loans will follow."

He also said Western governments would be more likely to offer financial support to democracies. "We are studying very carefully what is happening in Eastern Europe, where there is a change in the decision-making process," he said.

The drying up of World Bank financing for sovereign lending underscores how important the expansion of the IMF's resources is.

That expansion was being worked out by the Group of Seven ministers, who met in a U.S. Senate caucus room at the invitation of Treasury Secretary Nicholas F. Brady.

The venue impressed upon the ministers the difficulties of steering an increase in funding quotas through Congress. A 50 percent boost would mean a $12 billion increase for the United States. That is likely to be resisted by conservative opponents of foreign aid, even though the allocation would not increase the U.S. budget deficit because the money would be left on deposit at the Fund.

To mollify opponents, the Fund has devised a new, nonvoting status, which permits bankrupt countries to work their way back to creditworthiness with the IMF in two to four years and thus be able to re-enter private capital markets.

The Fund's gold stocks would also be pledged as a final guarantee that lenders would get their money back, but Mr. Camdessus said the IMF would sell gold only as last resort. Third World members would like the industrialized countries to serve as final guarantors instead, but this was unlikely.

■ Trade Talks Stall

With the clock ticking, high-ranking officials from the world's largest trading countries are still playing a game of chicken over the most sweeping overhaul of the world trading system in 45 years, The Washington Post reported from Napa, California.

Trade ministers from the United States, Canada, Japan and the 12-nation European Community failed in three days of talks to bridge wide gaps dividing them on major issues. They bucked the hard political decisions to their heads of government, who are scheduled to meet in July.

A senior U.S. trade official said each of the major trading partners was waiting for the others to give in on key issues.

Euromarts At a Glance

Eurobond Yields

	May 2	Apr. 25
U.S. $, 8 yrs & over	9.71	9.60
U.S. $, 5 to 7 yrs	9.73	9.50
U.S. $, less than 5 yrs	9.10	9.15
Pounds sterling, less than 5 yrs	15.03	14.92
French francs, less than 5 yrs	10.57	10.29
Ital. lire, less than 5 yrs	12.45	12.49
Danish kroner, less than 5 yrs	11.03	10.98
ECU, 8 yrs & over	10.73	10.71
ECU, 5 to 7 yrs	10.85	10.87
Can. $, less than 5 yrs	13.42	13.54
Aus. $, less than 3 yrs	15.42	15.66
N.Z. $, less than 5 yrs	13.34	13.32
Yen, 5 to 7 yrs	7.53	7.20
Yen, less than 5 yrs	7.39	7.49

Source: Luxembourg Stock Exchange.

Weekly Sales — May 4

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	—	285.90	64.00	396.30
Convert.	—	—	—	73.50
FRNs	125.90	276.20	168.80	613.50
ECP	5,695.50	1,373.60	9,752.10	2,291.10
Total	5,830.50	1,935.70	9,984.90	3,374.40

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	4,442.60	9,126.50	12,763.60	8,935.30
Convert.	141.70	332.10	490.90	404.10
FRNs	1,898.50	2,675.50	3,165.80	4,304.50
ECP	5,111.20	2,324.00	3,169.60	3,200.00
Total	11,594.00	14,459.10	19,589.90	16,843.90

Source: Euroclear, Cedel.

Libor Rates — May 4

	1-month	3-month	6-month
U.S. $	8⅝	8 9/16	8⅝
Deutsche mark	8 1/16	8 5/16	8 9/16
Pound sterling	15⅛	15 5/16	15 9/16
French franc	9 9/16	9⅝	9⅝
ECU	10 5/16	10 9/16	10 13/16
Yen	7¼	7¼	7½

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Treasury Bonds — May 4

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
29.02.92	100 8/32	100 10/32	8.72	8.96
15.02.93	98 31/32	99 1/32	8.78	9.04
31.12.93	98 31/32	99 1/32	8.81	9.05
15.05.95	98 25/32	98 27/32	8.78	9.02
15.01.97	98 8/32	98 10/32	8.84	9.07
15.07.00	97 24/32	98 26/32	8.84	9.04
15.02.06	103 25/32	103 29/32	8.98	9.14
15.02.20	96 19/32	96 21/32	8.82	9.03

Source: Salomon Inc.

U.S. Consumer Rates — May 4

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.60 %
Money Market Funds	
Donoghue's 7-Day Average	7.67 %
Bank Money Market Accounts	
Bank Rate Monitor Index	6.06 %
Home Mortgage, FHLB average	10.67 %

Source: New York Times.

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—hand delivery Vienna	A.Sch.	5,400	2,972	3,000
Belgium	B.Fr.	11,000	7,200	6,000
Denmark	D.Kr.	3,100	1,268	1,700
Finland	F.M.	2,000	1,276	1,100
France	F.F.	1,600	1,312	880
Germany (mail)	D.M.	600	419	330
—*hand delivery	D.M.	758	261	389
Great Britain	£	150	105	82
Greece (mail)	Dr.	33,000	28,880	18,000
—hand delivery Athens	Dr.	41,000	20,880	23,000
Ireland	£Irl.	155	118	85
Italy	Lire	420,000	308,000	231,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,250	1,390	1,200
—**hand delivery	N.Kr.	2,700	940	1,480
Portugal	Esc.	31,000	30,900	17,000
Spain (mail)	Ptas.	35,000	25,060	19,200
—***hand delivery Barcelona, Bilbao, Seville	Ptas.	38,000	22,060	20,900
—***hand delivery Madrid	Ptas.	51,480	—	25,740
Sweden (airmail)	S.Kr.	2,200	1,440	1,210
—**hand delivery	S.Kr.	2,800	840	1,540
Switzerland	S.Fr.	500	446	275
Rest of Europe, North Africa, former French Africa, Middle East	$	500	Varies by country	275
Rest of Africa, Gulf States, Asia	$	650		355
Central/Latin America	$	600		330

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 4.

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&W Bd			4178	32	30	31½	+1¼
ABS	.32	4.0	57	8¼	7¾	8	+ ¼
ACC Cp	.16	1.7	352	9¾	9	9⅜	— ⅛
ADC			854	22¾	20½	22½	+1¾
ADT			8042	29	28	28¾	+ ¾
AEL			41	5¼	4½	4½	— ½
AEP s			233	15	14¼	14¼	
AIRCOA			1105	⅜	⅞	⅜	
ALC h			1874	⅜	¾	⅞	— ⅛
ASK			3841	8⅝	7¾	8½	+ ¾
AST			24229	23¼	20½	23¼	+2¾
AamRt	.10	1.0	11	10¼	10⅛	10⅛	— ⅜
AbingB	.16	3.0	52	5¼	5⅛	5⅛	— ⅛
AbeLinc			13	8⅝	7⅝	8⅝	+ ¼
Abram s	.20	4.2	50	4¾	4½	4¾	
Acodin			917		⅝		+
Accel	†		107	7½	7	7⅜	
Aclaim s			18114	12½	9⅞	12¼	+2¾
Acl wtB			5711	3¼	2⅝	3⅜	+1
Aceto	.14b	1.0	18	14½	14	14	
ACMT			28	12¾	12	12¼	— ¼
Acmt a			16	10	10	10	
AcmeSt			294	17¾	16¾	17⅛	+ ⅜
AdARt	†		1097	6¼	5⅝	6	
AdmSv	.32b	7.8	200	4¼	3½	4⅛	— ⅛
AdAuSt			99	1⅜	1¼	1⅜	
Acxiom			1442	22¾	22	22	— ¾
AdacLb	.041		7869	1½	1¼	1½	+ ⅛
Adage			392	1⅝	¾	1⅛	+ ⅛
Adapt			16089	19⅝	16½	19¼	+1⅜
Adingt s			2038	18¾	17¼	18¼	+1⅜
AdiaSv	.14	.6	148	22¾	22¼	22¼	— ¾
AdobeS	.21e	.5	17668	42¼	37½	41	+3
Adtec			1046	2½	2¼	2⅜	— ⅛
AdvCir s			5919	9⅞	8⅝	9⅝	+ ¾
AdvRos			14	10½	10¼	10¼	
AdvMag			96	12¾	11⅛	11¾	— ½
AdMkSv			1194	5	4	4⅜	— ⅜
AdvPoly			3036	4¾	4	4¼	+ ¼
AdvSem			356	6⅝	5⅜	5⅞	— ⅛
AdvTel			4464	18¼	16⅜	18	+1¼
Advanta	.13e	1.3	780	10¾	9⅜	10⅛	+ ⅛
AdvaSy			671	10⅝	9⅝	10⅛	+ ½
Aequitrn			656	2¼	1⅞	2¼	+ ⅜
Aegon	1.39e	2.2	201	63⅞	62⅜	63⅜	— ¼
AerSysl			119	¾		¾	+ ⅛
Aerovx			3432	4⅜	3⅝	3⅜	— ⅞
AffBcCp	.32	7.2	215	4⅝	4⅜	4⅜	+ ⅛
AffBsh			206	11	10⅜	10⅝	— ⅛
AgncyR	†		4880	14⅛	12¼	13⅝	+ ⅜
Agnico g	.20	3.1	3052	6½	6⅜	6⅝	
Agourn			305	8½	8¼	8¼	
AirMd			870	5¾	5	5⅝	
AirWisc	†		1209	10⅝	10½	10⅝	+ ⅛
Airtran	.16	2.0	408	8½	7¾	7⅞	— ½
Akorn	.07e	4.2	114	1⅝	1⅝	1⅝	+ ⅛
Akzo	1.48e	5.2	2305	32½	31	32⅛	+1
AlamBc	.60a	2.3	64	25¾	24⅝	25⅝	+1
Alaten	1.10	10.7	511	10½	9⅝	10¼	
Aldus			18042	23¾	20	22¼	+1⅞
AlexBr	.22	1.9	1507	11⅝	11	11⅝	+ ¼
AlexBld	.88	3.0	3379	30⅝	28½	29	— ½
AlfaCp	.40	3.8	216	11¼	10½	10½	
Alico	.20	.6	1387	32½	27½	31	+3½
AllAm s			263	1⅞	1⅝	1½	— ⅞
AllCity			9	5⅝	5⅝	5⅝	
AlegW			216	8¾	8¼	8¾	
AlnOrg	.40a	1.1	13	36	35⅜	36	—1
AllenPh			1801	10½	8¼	10½	+1½
Alliant			2976	7⅝	6¾	6⅝	+ ⅛
AlldBk	.30	4.0	31	7½	7¼	7½	+ ¼
AlldCap	1.19e	6.4	3072	18½	17¼	18½	+ ½
AldCall	.16e	.9	2771	17½	16½	17½	+ ¼
AlldGp	.48	3.7	25	13½	13⅛	13½	
AlldRsh			917	2⅝	2⅜	2½	
AloyCpt			47	1⅞	1⅝	1⅝	— ⅛
AlistFn			566	8⅞	7¾	7¾	— ⅛
Allwst s			8319	9⅝	8⅞	9⅝	+ ⅜
Aloette	.32	1.9	834	17⅞	16	17¼	+1½
Alphari			540		⅜		
AlpMic			70	3⅝	3¼	3⅝	
AltaGld	.06e	1.4	2805	4⅝	4¼	4⅜	— ⅛
Altai			6	3⅜	3⅜	3⅜	— ⅛
Altera			7352	11¼	10¼	11¼	+1¼
Altus			603	1⅜	1	1¼	+ ⅛
Altos			902	6⅝	6	6	— ½
Altron			394	6⅝	5¼	5¾	— ⅞
AmcorF	.50	3.4	130	14¾	14½	14¾	+ ½
Amrian	.40	3.2	47	12½	11¾	12½	+ ½
Amerbc	.17r	3.6	260	5	4¾	4¾	— ¼
AFFMi2	1.90e	24.1	586	7⅞	7½	7⅞	
AFFF	1.50	8.2	299	18¾	18¼	18¼	
AmFPr	1.30	11.7	257	11⅛	10¾	11⅛	+ ¼
AFTxE	1.00	10.8	590	9¼	8⅞	9¼	+ ⅛
AFTxE2	1.28	15.1	222	9½	8½	8½	—1
AWAirl			3947	10¼	9	10⅛	+1½
AmBcp	1.15e	4.7	77	24½	22	24¼	+ ¼
ABnkr	.50	5.2	324	10⅛	9⅝	9⅝	— ⅜
AmCaR			733	9⅝	9⅛	9⅝	— ½
AmCity			341	16¾	16	16½	— ¼
AColoid	.44	4.3	20	10½	9¾	10⅛	+ ⅛
AConsu			12	6¾	6½	6½	— ½
AmEcol			35	4⅝	4¼	4⅝	+ ⅛
AFSvDu			11	5½	4⅞	5½	+ ½
AFlm s			879	9⅝	9¼	9⅝	— ⅛
AmFl wt			589	5¾	5	5½	+ ¼
AFlltrn	.86	3.7	2403	23½	23	23½	
AGreet	.66	1.9	4515	34	32⅞	33⅞	+1⅛
AHItSv			383	2⅝	1⅞	2⅜	+ ⅜
AIndF	.08	1.3	1121	6	4¼	6	+ ⅞
AmInte			4402	8⅛	7⅝	7⅞	+ ⅛
AMS			609	14⅛	13⅝	13⅝	+ ⅛
AMedE			1034	8¾	7⅞	8⅜	+ ⅛
AMidl			48	¼	¼		
ANtlns	1.60	4.7	837	34⅛	33½	34	+ ¼
ANuclC			434	⅝	½		
AmNurs			173	2⅜	2½	2½	— ⅛
AmPac			646	12	11¼	11⅝	+ ⅜
APhyG			188	1⅜	1⅛	1⅜	
APwC s			1440	32½	29	29⅞	+ ¼
ARelian	.44	4.2	107	10¾	9¾	10½	
ARepBc	.10e	1.3	28	8	7⅝	7¾	+ ⅛
AmRice			1906	1⅛	1	1	— ⅛
ASoft s	.32	1.7	7368	19¾	18⅝	18¾	— ⅞
AmSH			124	7	6½	6½	— ½
ATvCm			4559	34¼	32¾	34	+ ¾
AmTrav			1353	27¾	24½	27¼	+2¼
AVang	.05e	.6	6	8	8	8	— ½
AWood			10	8	7¾	7¾	— ⅛
AmAll	.30e	7.7	1023	4⅜	3⅞	3⅞	— ⅛
AmFtBk			1784	2⅝	2⅜	2⅝	— ⅛
Ameritr	1.28	7.1	2932	19	17½	18	— ¼
Amgen			10824	65¾	61¾	64½	+2¾
Amistar			6	1⅜	1⅜	1⅜	+ ⅛
AmtvBc	.20b	3.6	19	5½	5½	5½	
AmskBk			2022	3¼	2½	2½	— ¾
Ampicn			1	8½	8½	8½	—1
Amserv			197	5¼	4⅞	5	— ⅛
AmtcCp			978	18½	16	17½	+1
Amvest	.20	5.2	619	3⅞	3⅝	3⅞	+ ⅛
Analogic			490	10	9½	9⅝	— ⅛
AnalyTc	.17	1.8	92	10½	9½	9½	— ½
Analy s	.48	2.6	549	18½	17¾	18½	+ ¼
Anangel	1.40e	12.3	1570	13½	13	13	— ½
Anaren			4	2⅝	2⅝	2⅝	
AnchSv			1090	1⅝	1⅜	1⅜	— ⅛
AndrGr			74	8½	7⅝	7⅞	— ⅜
AndvBc	.80	10.5	126	8	7⅝	7⅝	+ ⅛
AndvTg			304	3¼	2⅝	2⅞	— ⅜
Andrew			401	23½	22	23½	+1¼
Andros			252	8⅝	8¼	8½	+ ⅜
ApogEn	.24	1.5	1250	15⅝	14¾	15½	+ ½
AppleC	.44	1.1	68864	40¾	39	40	+ ⅞
Aplebee			1337	15¼	14	15⅜	+1⅝
ABiosci			3187	27¾	26	27¼	+ ½
ApldBio			2409	13	11⅝	12⅛	— ½
ApldMt			7059	28	26⅛	28	+1⅞
ApldP s	.12	.4	2335	27	24⅞	27	+1½
ApldSir			410	7	6½	7	
ArabSh			169	2	1⅝	1⅝	— ⅛
Archive			7720	11⅝	10⅝	11⅛	+1⅛
Arbor s	.16	.8	538	19⅛	17⅞	19	+ ¾
Arden			45	7½	57½	57½	
ArgoGp	1.60	2.2	771	72¾	71¾	72¼	— ¼
Aritch			277	11	8¾	10¼	+ ¼
ARIX			1219	1¾	1⅜	1⅝	— ⅛
Arizinst			361	4½	3⅝	3⅝	— ⅜
ArkaFt			213	21	19¾	20	+ ⅜
Armor	.64	4.0	1716	16	14⅝	16	+1⅛
Arnold	1.00	2.8	11	36	34½	35½	+ ½
ArowBk	.68	4.9	18	14¼	14	14	—1⅛
Ariel			1027	6¾	5½	6⅛	+ ⅝
ArtWay	.40	4.3	41	9¼	9	9¼	+ ⅛
Ashton			28760	11⅜	10⅜	11	+ ⅜
Astamr	†		1136	9⅞	8⅝	8⅞	
AspctTl			25067	16½	15	16⅝	
AspenR			271	3⅜	2⅝	2⅞	— ½
Assix			847	8	7⅝	8	+ ⅜
Assix wt			506	2⅜	2¼	2⅜	— ⅛
AsdBnc	.72b	3.3	958	22¾	21¾	22	+ ½
AsdCmA			3690	28¾	25¾	28¾	+1½
AsdCmB			737	27¾	25¾	27¼	+1
Astec			249	6	5	5⅝	— ⅝
AstrM s			386	8¼	7½	7½	— ¼
Astrcm			81	1⅞	⅝	⅞	— ⅛
Astron			235	1	1	1	— ⅛
Astrosy			146	3½	3⅛	3¼	+ ⅛
Alek			213	4	3⅞	4	
Athey	.10r	1.0	104	10	9½	9⅝	— ⅜
Atkinsn	.48	3.2	22	15¾	15	15	— ½
Atlntd	.40	3.5	3	11½	11½	11½	— ½
AllAm			75	2¼	2	2¼	
AllSeAr	.40	2.3	1027	18⅝	17½	17⅝	— ¾
Atwood	.82e	2.4	181	34½	33⅞	34	— ⅜
AtwdOc			896	17½	16⅜	17⅛	+ ⅜
AutTrT			2	2¾	2¾	2¾	— ⅛
Autoclv	.20b	2.0	451	10⅝	9⅝	10¼	+ ¼
Autodk	.20e	.4	12880	45	42	44½	+1½
Autodie			55	9	8	8¼	— ¾
Autoinf			986	5¼	4¾	5	+ ⅛
AutoSy			1144	7	5⅞	7	+1½
AutoCp			18	8¾	8⅛	8⅛	—1⅛
Avntek			1564	3⅝	2⅞	3	
Avatar			794	22¾	22¾	22⅝	+ ⅛
Avndle	.92	9.2	1032	10⅝	9¾	10	— ⅜
Aztar			11302	6¼	5½	5⅞	— ⅜
AztcM	.10	2.3	245	4⅝	4⅜	4⅝	
B							
BB&T s	.80	4.1	645	20	18¾	19⅝	+ ¾
BH Bulk	2.16e	43.2	221	5¼	4⅞	5	— ⅛
BEI El	.06e	1.0	6095	6⅝	5⅝	6⅛	— ¼
BEI			216	2⅞	2⅝	2⅞	+ ¼
BF Ent			23	5¼	4½	5¼	— ¼
BFS NY			94	9⅝	8⅞	9	+ ⅛
BGS	.40a	2.8	55	14½	14	14¼	+ ¼
BHA s			152	20¾	19	20¾	+ ¼
BHA B s			808	20½	19½	20½	+1
BKLA	†		1	8¼	8¼	8¼	— ¾
BMA	1.20	3.5	447	35¼	34¼	34¼	
BMC St s			20775	23½	18¼	22⅝	+3⅝
BMJ	.60	5.1	356	13½	11	11⅞	— ⅞
BMR Fn			78	1	⅞		
BNH	.24	4.4	24	5⅜	5½	5½	
BSB Bcp	.60	4.4	273	14¼	13⅜	13¾	— ½
BT Fin	.80	5.3	111	15	14½	15	
BT Shp			220	13⅛	12⅝	13⅛	+ ½
BTR	.08	1.4	12	5⅝	5⅝	5⅝	+ ⅛
BTU Inl			180	3¼	3	3	+ ¼
Babage			1304	5⅜	4⅝	4⅝	+ ⅜
Badger	.48a	2.8	20	17½	16½	17⅛	+1⅛
Bailey			28	1⅛	1	1⅛	+ ⅛
BakerJ	.06	.5	7404	13¼	12⅝	12⅝	+ ⅛
Balchm	.03	.7	39	4⅝	3⅞	4⅝	+ ⅛
BaldLy	.30	1.4	1	22	22	22	—1
BldLyB	.30	1.5	94	20⅝	20	20	— ½
BaldPia			26	8¼	8¼	8¼	— ⅛
Balard	.10	.4	44	24	23	23½	+ ¼
Baltek	.15	1.7	15	9	8⅝	8⅝	
BncPnc	1.60	3.6	158	45¼	44½	45	— ½
BncPop	.80	4.2	63	19⅝	18⅝	19⅝	
BcpHw s	1.64	3.5	4649	46½	45	46½	+1¼
BcMiss	.84	4.0	90	21½	20½	20⅝	
BcpNJ	.40	4.6	275	9	8⅝	8⅝	— ⅜
Banctec			446	17¾	17¼	17½	— ⅛
BandaM	.88	10.1	192	8⅝	8¼	8¾	+ ⅛
BangH	1.24	8.2	504	15⅝	15	15⅛	— ⅜
BankAtl			34	4⅜	4	4	— ⅛
BkGrn s	.40	1.8	83	24	22½	22½	
BnkNH	.92	7.7	86	13⅛	12	12	— ¾
BnkSav	.52	5.3	3941	10⅛	9½	9⅞	+ ½
Bnkeast			2242	1⅞	1⅜	1⅜	— ¼
Bankrs			1320	10⅝	9¾	10¼	+ ⅜
BnkFst	.28	4.2	228	6¾	6¼	6⅝	+ ⅛
BkrNte			116	2¼	1⅞	2¼	+ ¼
Bknth	1.08	7.4	73	15	14¼	14½	— ¼
BkIowa	1.00	1.4	27	72¾	70¼	70¼	—1¼
BkMAm			115	9⅞	9¼	9⅞	+ ¼
BkWorc	.25l		4044	13⅝	12½	13½	+ ½
BnkUtd			10	6¼	6¼	6¼	
Banta	.56	2.7	4831	21½	20¼	21	+ ¼
Barden	1.00	2.9	16	34½	33	34	+1
BaretRs			855	7⅜	6⅝	7⅜	+ ½
BaryJw			79	8½	7⅝	7⅝	— ⅜
BsTnA			1208	3	2	2	—1
BasAm			2240	9⅝	7⅝	8½	— ½
BasPtr s			133	14⅝	14	14⅝	+ ⅜
BsetF	1.00a	2.7	486	36¾	35½	36½	+1
BayVw	.45e	2.5	12962	17⅝	16⅜	17⅝	+1¼
BayBks	1.80	11.3	8767	16½	14⅝	16	— ¾
BEAvlon			5159	7⅜	6⅞	7	+ ⅛
BeauC s	.20	1.1	694	18	16⅜	18	+1
BeautL			326	1⅞	1½	1⅞	
Beebas	.24	2.9	661	8⅝	8	8¼	
BelFuse			64	5⅜	4⅝	4⅞	— ⅛
BellW s			193	2⅞	2¼	2⅜	+ ⅛
BellSv			342	3	2⅞	2⅞	— ⅛
Belmrl			143	¾	⅝	¾	
BenJer			185	14	12¼	14	+ ¾
Benhan			43	2⅜	2¼	2¼	
Berkley	.44	1.1	2327	41¾	40½	41½	+1
BerkGs	1.28	8.4	58	15½	14¼	15¼	+ ¾
BetzLb	1.88	2.8	1539	68¼	66½	67½	+ ¾
Big B	.16	1.5	158	11½	10¾	11	
BigOTr			1527	1⅞	1⅝	1¾	
Bindly			2630	12¾	11	11¾	+ ⅜
BingKg			29	2⅜	2⅝	2⅝	+ ⅜
BioLog			77	6	5⅝	6	

(Continued on next page)

BUSINESS BRIEFS

AGF to Buy 40% of Export Bank

PARIS (Reuter) — Banque Française du Commerce Extérieur said Saturday the state-owned insurer Assurances Générales de France would take a 40 percent stake in it by the end of 1990.

AGF will take its stake during the second phase of a two-stage shake-up of the state-controlled export-credit bank's shareholding, at the same time as a capital increase of 1.10 billion French francs ($196.6 million).

The bank's shareholders have agreed to accept new AGF shares in return for the 40 percent stake. AGF will be the bank's biggest shareholder, followed by Crédit Lyonnais with 24 percent.

Fox Allowed to Add Programming

LOS ANGELES (LAT) — Federal regulators Friday gave Fox Broadcasting clearance to aggressively expand its programming even as it participates fully in the lucrative rerun business.

Over the objections of the three big U.S. television networks, the Federal Communications Commission granted Fox Broadcasting a one-year waiver of the so-called financial interest and syndication rules, which prevent networks from earning money from reruns and taking ownership interests in programs they broadcast.

Under current FCC regulations, once Fox passed the threshold of providing 15 hours of prime-time programming per week, it would be forced to sell off the rights to such programs as "A Current Affair" and "Mash," which are sold to local TV stations.

The FCC waiver would allow Fox to broadcast an additional 3.5 hours of programming per week above the current 15-hour trigger prescribed by law. Fox broadcasts a total of nine hours per week over three nights.

The decision allows, at least temporarily, the fourth network to proceed with its aggressive expansion plans without its parent, Fox Inc., being forced to sell a highly profitable wing of its film studio.

Arab Bank Details Stock Offering

MANAMA (AFP) — Arab Banking Corp., which announced in February that it would become the first Arab institution offering its shares to foreign retail investors, said the offer would begin between May 22 and May 26.

Abdulla A. Saudi, the bank's deputy chairman, president and chief executive, said Saturday that a total offering of 25 million ordinary shares with each valued nominally at $10 will be finalized within the next 10 days. About 20 million shares will be offered in the Arab world, he added.

Yugoslavia Austerity Yields Results

BELGRADE (AFP) — Austerity measures led in April to a fall in prices for the first time in post-war Yugoslavia, it was announced here Saturday.

Prices dropped 0.02 percent, according to government figures. Inflation was expected to be minimal in May and June and level out at about 20 percent for the whole year. That compares with an inflation rate of 1,225 percent last year.

For the Record

Sun Microsystems Inc. is expected to announce on May 15 a new computer work station priced below $5,000. Analysts said the machine was expected to match the performance of the original Sparcstation, which sold for about $9,000, but that it would probably not include a disk drive. *(NYT)*

Banco Santander said it invested $100 million in shares of seven companies quoted on the Mexico City stock exchange. Santander said it bought shares in Desc, Vitro, Tolmex, GMexico, Kimberley Clark, Telmex and Celanese but gave no details of each of the purchases. It said the move was the biggest foreign investment on the Mexican stock exchange. *(Reuters)*

World cocoa producers, smarting from slumping prices paid for their unprocessed beans by developed consumer nations, announced that they plan to invest jointly in processing their product. *(AP)*

Société Générale of France will close its offshore branch in Bahrain on July 1, leaving just a representative office, bankers said. *(Reuters)*

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Stock prices closed little changed last week in trading that was uneventful except for Philips shares, which sank 15 percent after the electronics company announced a dramatic fall in first-quarter operating profit.

The CBS all-share index finished the week slightly higher, at 193.00, compared with 191.8 the week before. Trading volume fell to 3.9 billion guilders from six billion guilders a week earlier. Equities traded were worth a total of 2.6 billion guilders, up from 3.4 billion guilders the previous week.

The Kempen & Co. brokerage forecast that first-quarter results, due to be released by Royal Dutch-/Shell and Unilever later in this week, would put further pressure on share prices.

Frankfurt

A pay agreement that ended the metalworkers' strike and a return to the market by foreign buyers gave the Frankfurt stock exchange a boost last week following a depressed period in April.

Stocks that had been eroded at the start of the week — which was reduced to four days becamse of the May Day holiday on Monday — started moving up again on Wednesday. By the end of the week, the DAX index was up 87.37 points, to 1,912.89. The Commerzbank index moved up 104.9 points, to 2,333.50.

Trading volume totaled 29.11 billion Deutsche marks, compared with 32.34 billion the week earlier, when there were five full trading days.

In great demand were stocks in the sectors covered by the metalworkers' collective agreement, including cars, steel, engineering and electronics.

Hong Kong

Prices dropped in quiet trading last week. The Hang Seng Index lost 39.36 points on the week, or 1.3 percent, to close at 2,946.97.

Daily volume failed to breach the one billion Hong Kong dollar mark it last set on April 25.

Dealers said investors were cautious, but market sentiment was steady, with most buying concentrated on relatively small-capitalization issues.

They expected the market to remain stable unless strong overseas sentiment attracts foreign institutional buying.

London

Operators brave enough to call the London market oversold last week were rewarded on Friday, as market makers scrambled to buy stocks following a less-dramatic-than-expected defeat for the ruling Conservative party in local elections.

The Financial Times 100-share index ended up 56 points on the week, at 2,162.6, although it still stands almost 300 points below its best January levels.

Nick Knight, equities strategist with Nomura Securities, described himself as "very comfortable" with his 2,800 forecast for the index at year's end — one of the most bullish among first quarter forecasts.

"This could be the watershed," he said "there is potentially more institutional money to be thrown at this market than at any time in the post crash period — and that's before you add international money."

Milan

Share prices rose, with the MIB index closing the week at 1,021, up from 1,008 a week earlier. The Comit indicator rose to 700.03 from 691.32 the previous week.

The improvement in the market, which put in a disappointing performance the previous week, was attributed to the authorities' announcement that interest rates would be cut by the end of May.

Another positive factor was a calm political situation that seemed to rule out the possibility of a government crisis in the wake of Sunday's municipal elections.

Paris

Share prices rose last week amid an easing of upward pressures on U.S. and West German interest rates. The CAC-40 index finished at 2,102.64, up from 2,066.27 the previous week.

Despite the tradition that May is a losing month on the Paris market, with a series of public holidays cutting trading volume, the Bourse recovered after its poor performance the previous week.

Blue-chip shares rose amid renewed interest among investors.

Singapore

Trading was lackluster on the Stock Exchange of Singapore last week.

The Straits Times industrial index gained 9.44 points over the four trading days, to close at 1,479.88, while the broader all-Singapore index climbed 4.11 points, to 408.37.

Turnover fell 23 percent, to 160.9 million shares valued at 541.5 million dollars. The average daily volume was 40.1 million shares.

Dealers said most big-time investors and speculators stayed on the sidelines awaiting positive news from overseas markets, particularly from Tokyo and Wall Street

Tokyo

Japanese share prices advanced last week, although trading volume was reduced by three public holidays. The gains were attributed to small buying by individual investors.

The Nikkei Stock Average of 225 blue chips gained 588.84 points during the holiday-filled Golden Week, closing at 30,173.64 Wednesday after a 250.64 yen setback the previous week. The market was closed Monday, Thursday and Friday for holidays.

It was the first time the key market indicator had finished above 30,000 yen since April 9, when it stood at 30,397.93 yen.

The Tokyo Stock Price Index of all common stocks listed on the market's major section advanced 41.85 points, to 2,247.81, after shedding 8.20 points the week before.

Most institutional investors retired to the sidelines during the short trading week.

They also were awaiting the outcome of a meeting of financial leaders of the Group of Seven leading industrialized nations this weekend in Washington and the results of U.S. Treasury bond auction on May 8-10, brokers said.

Trading volume was only 363.8 million shares a day on average, compared with the previous week's 514.8 million shares.

The value of stocks traded dropped to 581.41 billion yen from the previous week's daily average of 679.03 billion yen.

Market tone was firm during the two trading days mainly due to individual investors' small-lot buying as there were few sellers in view of the market's expected climb next week, brokers said. Index program-related buying also contributed to the rise, they said.

"Now that the Nikkei has held above the 30,000 yen level, it should stay within the 30,000 to 31,000 level in the coming week," one broker said.

Zurich

The stock market firmed last week after hitting a low for the year the previous week. The Swiss Performance Index closed the week two percent higher, at 1,076.8, compared with 1,052.4 a week earlier.

The Crédit Suisse indicator ended at 596.7, up from 581.2.

Traders said the market had improved with the Bundesbank's approval of plans for German monetary union. Swiss institutional investors returned to the market, they said.

Nestlé announced excellent results but postponed a share issue until the market had improved.

Taiwan Investors Regain Confidence in the Market

Reuters

TAIPEI — Taiwan share prices got off to an uncertain start on Saturday, but soon pushed sharply higher as investors regained confidence in the market after sharp falls earlier in the week, dealers said.

The weighted index finished 318.69 points higher, up 3.7 percent, to close at 8,943.39, compared with a close at 8,624.70 on Friday. Volume was 81.9 billion Taiwan dollars ($3.13 billion), down from 83.7 billion dollars.

Dealers said many investors took heart from the 122-point gain on Friday after the market's earlier battering, and bought in once the index seemed firmly set on an upward path on Saturday. They forecast more cautious trading in the near term.

The sharp price falls last week were caused by rumors of financial collapse among the market's big players and hints of political instability, including a rift between President Li Teng-hui and the prime minister, Li Huan.

The fate of the market's beleagnered financial sector was closely watched as fears grew that plunging share prices would scuttle the government's plan to begin privatizing public companies by selling off some of its stock in state-run banks.

Saatchi Dismisses 2 Top Executives

By Randall Rothenberg
New York Times Service

NEW YORK — Analysts said the dismissal last week of two top Saatchi & Saatchi Co. executives was part of a campaign to reduce corporate overhead.

Saatchi on Friday dismissed the co-chief executives of its communications division, which oversees its advertising agencies. The executives are Roy Warman and Terry Bannister, also co-chief operating officers of the parent holding company.

Both men, who are also leaving Saatchi's board, had been with the company since the early 1970s, when it began transforming itself from a tiny, creative agency operated out of a London basement into a global advertising power.

Saatchi also said that Jeremy Sinclair, another longtime executive who has been in charge of financial relations for the company, would retain his title of group deputy chairman but relinquish his holding-company responsibilities.

He is to become head of Saatchi & Saatchi Advertising Worldwide, the world's second-largest agency behind Dentsu of Tokyo and one of Saatchi's two multinational advertising networks. The other, Backer Spielvogel Bates Worldwide, is the fourth-largest agency in the world.

A Saatchi spokesman said the dismissals were engineered by Robert Louis-Dreyfus, who joined the company in January as chief executive, taking its reins from its founders, Maurice and Charles Saatchi.

Analysts said the departure of the two men was part of a reorganization of the company aimed at reducing the costs of maintaining Saatchi's holding company.

Saatchi spends an estimated £20 million to £25 million ($33.2 million to $41.5 million) on the holding company each year. By contrast, WPP Group, a British agency that this year displaced Saatchi as the world's largest advertising conglomerate, spends about £5 million annually on running its holding company, said Chris Akers, an analyst with Citicorp Scrimgeour Vickers, the London brokerage.

ABB: *Go-Fast Approach to Merger*

(Continued from first finance page)

numbers of Combustion and ABB executives, in many cases led by Combustion executives.

Many task forces were given a two-month time limit to make recommendations on staffing and blending operations.

One of the quickest decisions was to close ABB's American headquarters in Purchase, New York, and move into in Combustion's underutilized headquarters complex on a wooded hillside in Stamford.

ABB also decided to sell Combustion's highly profitable industrial minerals businesses, which bear little technological relationship to the rest of ABB.

For all the talk of merger, the imposition of ABB's management structure made it clear which company was acquired.

ABB is broken down geographically with national or regional managers tracking the progress of all the local businesses, but managers also report to global business managers in each product line and these executives have a great deal of clout in developing long-term strategy and financial planning.

It turned out that one executive who chafed under this management matrix was George S. Kimmel, Combustion's president and chief operating officer. He surprised most of his colleagues by abruptly announcing his resignation last month.

Gerhard Schullmeyer, 51, a German who heads ABB's worldwide industrial operations, replaced Mr. Kimmel.

He made his presence felt his first day on the job by announcing he would sell the spacious, comfortably appointed Combustion headquarters into which ABB's staff had recently moved, and look for a more modest leased headquarters nearby. He also sold the company's three jets.

"These were the things people complained about as I walked around the businesses," said Mr. Schullmeyer, who had visited Combustion's industrial controls businesses in Columbus, Ohio, and Rochester, New York. "There was tremendous hatred in the line operations for headquarters."

WALL STREET WATCH
IN THE IHT EVERY FRIDAY.
INCISIVE REPORTING ON TRENDS
AFFECTING THE U.S. STOCK MARKETS

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, May 4.

Option & price		Calls			Puts		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 4.

(Continued)

	Sales in 100s	High	Low	Close	Net Ch'ge
TrnLsg	68	3	2¾	3	+¼
TraMus	882	29	27¾	27½	—¼
Trnsmt	62	3⅝	3	3⅝	+¼
Trnsntl	723	1½	1⅛	1¼	—⅜
Trnsnt	989	1	⅞	1	+⅛
Trnich	225	2½	2⅛	2⅝	—⅜
TrwlBc †	1	15½	15½	15½	—
Trnwck .33e 1.6	169	21	20¼	20¼	+¼
TriadSy	1284	3¾	3¼	3⅜	—¼
Tricore	2735	7⅞	7½	7⅞	+⅛
Trimas s	287	16¾	14	16½	+¼
Trimed	2571	3⅜	2⅝	2⅝	—⅝
Trion s .09 2.3	2139	4⅛	3⅞	3⅞	
TristeBc .66 4.0	12	16½	15	16½	+½
Trustco .96 2.7	153	36½	34	36	+2
TrNY 1.20 3.9	77	31	30	30½	
Trstmk 1.00 5.2	222	19¾	19¼	19¼	
Tseng	2853	4⅝	4¼	4¾	+⅜
Tubscp	1794	8¼	7¼	7⅞	+⅜
TuckDr	96	6¾	6⅜	6½	
Tudor	80	⅝	⅝	⅝	+⅛
TuesM	195	11¾	11	11	—1
TuscPl .25e .2	27	25	24¾	24½	
20Cnln .64 3.2	954	20¾	19¾	20	+¼
TycoTy	3744	22	21¾	21¾	—⅛
TycoTy wt	245	8⅝	7⅜	7⅝	—⅜
Tyson .04 .1	4595	30⅜	29¼	29⅞	+⅜
U					
UNR	41	4⅝	4¼	4⅝	+¼
UNR wt	274	⅝	½	⅝	
UNSL .68 5.5	5841	10⅞	10⅜	10⅝	+⅛
USA Bc	60	2¾	2½	2½	—¼
USMX	353	1½	1⅜	1½	+⅛
UST Cp .63 6.4	4443	11	9¾	9⅞	—1⅛
UTL	57	1⅜	1⅜	1⅜	
UnlMrt .10 1.9	2730	5½	5	5⅜	+⅜
UnicoA	310	4	3⅞	4	+⅛
Unifi s	2746	14¾	13⅞	14	+¼
Unifrce .72 1.1	565	10⅝	10¼	10½	
Unigen	862	1⅜	1⅛	1⅜	+⅛
Ungn wt	420	⅜	¼	⅜	
Unilab	673	4⅝	4½	4⅝	
Unimed	575	2⅝	2⅛	2⅝	+¼
UnBnk 1.32a 6.1	541	22⅜	21⅛	21¾	—½
UAEn A	5536	13¾	13⅛	13½	+⅜
UAEn B	4424	14	12⅝	13⅝	+1
UBCol .20 1.0	1305	20⅛	19⅝	19⅞	+¼
UBWV .72 5.5	10	13	13	13	—½
UCarBk .68 4.5	813	14	13	13¼	
UCltGs .92 6.2	507	15⅛	14⅝	14⅝	—¼
UnCoast	16	3⅝	3⅝	3⅝	
UnCosF .60b 3.9	15	15½	15½	15½	—⅜
UnDom 1.24 8.0	1691	15⅝	15½	15½	
UnFdBc .36 3.7	442	10⅛	9⅝	9⅝	—⅜
UFinSC	63	10½	10	10½	+½
UFireC 1.20 3.9	2	31	31	31	+¼
UGoma	391	9⅞	9¼	9½	+⅜
UHltCr	13724	12¼	10¼	12	+2
UtdHm .60e 12.3	1	4⅞	4⅞	4⅞	—¼
UtdIns	106	15	14½	15	+¼
UMoBn .80a 2.7	233	29½	28½	29½	+⅛
UnNMx .25e 2.3	37	11	10¾	11	
UtdNwsp .77e 7.1	568	11	9⅞	10⅞	+⅜
USvBk .42 4.0	55	10½	10½	10½	
USBkVa	408	3⅜	3¼	3⅜	—⅛
US Bc s 1.00 3.7	11909	27½	25⅝	27⅛	+1¼
USBPa	155	13	12½	13	+½
US Bc pf 2.12 10.0	742	21¼	21	21¼	
US Enr	810	9½	9⅛	9¼	
US Facl	560	4⅝	4¼	4¼	—⅛
US Gold	2437	⅝	½	⅝	+⅛
US HltC .30 2.1	47552	14½	12⅞	14⅛	+1⅞
US Intc	158	4⅝	4¼	4⅝	+⅜
US Prc s	227	⅜	¼	⅜	+⅛
US Trst 1.60 4.7	958	34	33½	34	+½
USWNV	5486	32	29½	31	+½
UStatn .40 2.9	1692	14½	13⅝	13⅝	+⅛
UnTelev	152	34	33⅜	33⅜	+¼
UtdThrm	440	3½	2½	3	+⅜
UnTote s	35	9⅝	9	9	—½
UnvBn .68 4.9	185	15	13⅞	13⅞	—1⅛
Univeo	88	12	11½	11¾	—½
Unitrin	16978	32	30¼	30⅛	—1¼
Unitrnx	1167	8	7¼	7¾	+¼
UnvHlt .20e 2.5	3674	8⅝	7½	7⅜	+¼
UnvHld	318	⅜	⅜	⅜	
UnvBT s .60 2.2	37	27½	27½	27½	
UPenEn 2.22 8.8	176	26	24¾	25¼	+½
Urcarc	5160	24¼	22⅜	23⅜	+½
UtahMd	4652	8⅝	7⅞	8	—¼
V					
V Band	172	3⅞	3½	3⅝	—⅛
VLSI	7989	9⅝	8⅝	9⅝	+1
VMS .20l	777	1⅜	1¼	1⅜	+⅛
VMS II .18l	474	1⅜	1⅛	1⅛	—¼
VMS III .22l	115	1⅞	1½	1⅜	+⅛
VMS SL .37l	391	3	2½	2⅝	+⅛
VMS SL2 .30l	528	3	2½	2½	—⅛
VMX	19297	1⅝	1	1⅜	—¼
VSB Bc .50 4.0	657	13	12½	12½	—½
VSE .28 3.2	2	8¾	8¾	8¾	—⅛
VWR .80 5.2	291	16½	15½	15½	
Valcom	27	15½	14¾	15½	
ValldLo	40506	3⅛	2⅝	2⅝	+⅛
Vallen s	43	24	22½	24	
ValyBc 1.12 5.0	890	23	22	22½	+¼
VlyCa s .80 3.6	77	24½	22½	22½	—1⅜
ValFSL	4705	2	⅞	1⅜	+⅜
VlyBcp 1.36 6.3	87	22¾	21½	21½	—¼
ValNtl	3380	14	13	14	+1
ValyWst †	26	6⅛	6	6⅛	
ValllCor	127	5¼	4⅝	4⅝	—⅜
Valmnt s .26 1.1	825	24	22¼	23½	+1¼
ValLn .60 2.9	27	23	21	21	—½
ValMer	1691	12¼	11⅛	11⅝	+⅛
VanGld	921	1¼	1	1⅛	—⅛
VanFed	92	10	9	10	+½
VardCl s	7686	25¼	23½	25	+1¼
VREF I .68e 8.8	67	8¼	7¾	7¾	—¼
VariCre .04 1.2	45	3⅜	3⅜	3⅜	
Varitrn	1256	6	4⅞	5⅞	+1
Varlen .60 3.8	149	16¼	15⅞	16	—¼
VeloBd	140	6⅛	5⅞	6	—¼
Vencor	199	7½	7¼	7½	
Ventrex	388	1	⅞	⅞	
VenCty †	145	9¼	8½	9	—¼
Ventur	6	8¼	8¼	8¼	
Veritne	2236	20¼	19½	20	+¼
VIFin 1.00 6.3	13	16	15	16	+⅜
Versa s .20 1.4	68	13	12¼	12½	+¼
VertexC	1069	6⅛	5⅝	5⅝	
Vestar	140	3¼	2⅞	2⅞	—¼
Vicor	57	10	9¼	10	+⅛
Vicorp	2276	19⅞	19½	19⅝	+¼
VictBn	262	8⅜	8⅛	8⅛	—⅜
VictCr	214	4½	3½	4½	—¼
VidDsp	74	5	4⅝	4⅞	—⅛
VideFr	166	2¼	1⅞	2¼	+¼
Viking	1625	11½	10⅝	11	+⅜
Vikonic	467	6⅛	5⅝	6	
VillFinl	200	9⅝	9	9¼	—¼
VllSpM .15 1.0	462	16	15	15¼	+½
Vinland	108	⅜	¼	¼	—
Viratek	1825	4⅛	3⅝	4	+¼
VaBch s .16 4.3	563	3¾	3½	3¾	
VistaOr	512				+
VistaLP	17	2	2	2	—
Vitalnk	14984	12⅛	10¾	12	+⅜
Vivigen	463	20¼	19⅜	20¼	+¾
Voltlnf	13	12	11	12	+1¼
Volvo 1.84e 3.6	215	54⅞	51¾	51¾	—3¼
W					
WD 40 1.72b 5.5	172	31½	30¾	31¼	+½
WLR Fs .44 1.7	158	25⅞	25	25½	
WPP Gp 1.22e 6.3	755	19¾	18⅝	19¼	+⅜
WSMP	140	5½	5⅛	5⅛	—¼
WTD	6285	7⅞	5	5½	—2
WainBk	337	9	8	8⅝	—¼
Walbro .40 2.8	26	15½	14½	14½	—1¼
WlkrTel	72	1⅛	1	1	—
WallSnd	87	3⅝	3	3½	+½
Walshr .20 2.8	77	7¾	7⅛	7⅛	
WaltCo .48 7.7	131	6½	6	6¼	
WrhseC	445	1⅜	1⅛	1⅛	—⅜
Warren	792	2⅞	2½	2½	—⅜
WshBcp .07l	283	5⅛	4⅞	5	—¼
WBcDC .07l	2115	9½	8¾	9	+¼
WashEn 1.36 7.5	866	18⅞	18⅛	18⅛	—½
WFSL s .88 3.2	931	28	26½	27½	+½
WshFOr .30 3.3	143	9½	9	9	
WshFDC	168	3⅝	3½	3⅝	+⅛
WMSB .40 2.6	4158	15¾	14¾	15½	+⅜
WMSB pf 3.75 9.4	146	40	39	40	+½
WshSvg	607	1⅝	1½	1⅝	+⅛
WshSci .20 2.5	89	8¼	7¾	7⅞	—⅛
WatfdW .12e 2.0	1092	5⅞	4⅝	5⅝	+1⅛
Watrln .12e 2.8	34	4¼	3¾	4¼	—¼
WattsInd .20 .5	976	38	35½	38	+2
WausP .69b 1.9	673	36½	35½	36½	+1
Waver .40 1.8	56	22¾	22	22¾	+¼
Wavetk	687	4½	4⅛	4⅛	—⅜
WbstCl	365	2⅝	2⅜	2½	
WbstFn .52 6.7	300	8⅛	7⅝	7⅝	
Wegenr	218	1⅝	1⅜	1½	+⅛
WeloTr .40 2.3	230	17¾	17¼	17¾	+¼
Weltek	4250	21⅛	20⅛	21⅛	+1
Wellatn .15e 1.3	241	13¾	11¼	12	—1⅜
Werner .12 .6	493	19	18¼	18⅞	+⅝
Wesbnc 1.30 4.2	13	31½	31	31	
WstCst	391	3⅞	2¾	3⅛	
WNewIn .24e 8.0	176	3¼	3	3	—¼
WstOne s .88 3.6	131	24¼	23⅜	24¼	+½
Wstcat	2086	9½	8⅝	9¼	
Wstrbke	60	1⅜	1¼	1⅜	
WtBank	80	12¼	11½	11½	—½
WstCap	5209	5⅝	3⅞	5¼	—⅜
WnFncl †	63	3½	3	3	—¼
WnWste	610	33¾	32½	33¼	—½
WMicTc	216	6½	6⅛	6⅛	
WMicr	82	1⅝	1⅛	1⅝	+⅛
WstnPb	2840	18⅞	18⅜	18⅝	+⅜
Wstmrk	6969	45¾	40¼	45⅛	+4⅝
WmorC	320	22½	21½	22¼	—¼
Weston	1315	8⅞	7⅜	8⅞	+1⅛
WstoBc	62	8	7⅜	7⅜	
WstwOn	4352	7	5½	6	+⅜
Wettra .60 2.4	1049	25⅛	24⅜	25½	+⅝
WetrPr .50e 4.3	6	11½	11½	11½	+½
Wharf	108	5½	5	5	—½
Whlclub	3755	18¼	16⅝	18½	+1⅞
Wicat	10364	3⅝	2⅞	3⅛	+⅛
Wiland	8	2¼	2⅛	2⅛	—⅛
WilyJ A 1.10 2.8	120	39½	39	39½	+½
Willamt 1.60a 3.2	869	50½	48⅝	50⅛	+1⅝
WillW .68 4.6	11	15⅛	14⅝	14⅝	
Willmt	952	10⅝	10	10⅛	—⅜
WmSon s	447	33	31½	32½	+½
WilmTr 1.44 3.8	639	37½	36½	37½	+½
WisSGs 1.18b 3.4	10	34¼	34¼	34¼	
WiserO .40 2.1	385	19⅛	18⅝	19	+½
WolfFn	500	6⅜	6	6	—⅛
Wolohn .28b 1.6	296	18¼	17½	17½	—¾
WIvExp	12326	8⅝	7⅜	8	+⅜
WIvEx pf	1863	22⅛	21⅝	21⅞	+⅜
Wolv wt	2025	4	3	3⅛	—⅜
Woodhd .40 3.7	502	16½	15½	16¼	—⅛
Wordst	777	1⅜	1⅛	1⅜	—⅛
WWTch	2	1⅜	1⅜	1⅜	
Worthg .56 2.6	2049	21¾	21	21¼	
Wyman .80 5.9	777	14¼	13½	13½	—¾
WyomNt .48 2.8	48	17	17	17	
X					
XL Dta	947	9¾	9	9⅝	+½
XOMA	18409	19½	17¼	19¼	+¼
XeRite .12 1.0	149	12½	11½	12	—½
Xicor	5272	2½	2⅛	2⅜	
Xplor	1822	7¼	6¼	7	+½
Xscribe	120	⅞	¾	¾	—⅛
Xylogic	119	7⅜	7⅜	7⅜	
Xyvsn	536	2⅝	2⅜	2⅜	—⅛
Y					
YonEnS 1.14e 6.0	2234	19¼	17⅞	19	
YelowF .76 2.6	17780	29½	26⅝	28⅞	+2¼
YesClth	254	9¼	8⅞	8⅞	
YorkFn .68b 4.7	166	14⅝	14¼	14½	
YorkRs	2342	11½	10⅞	11⅜	+⅛
Z					
Z Sevn .36e 2.6	117	14	13¾	14	+⅜
Zeus	6	2⅝	2¼	2¼	
Ziegler .52a 3.4	14	16	15¼	15¼	—⅜
ZionUt 1.44 4.9	590	30¼	28¼	29½	+1¼
Zitel	798	5⅜	4¾	5	
Zycad	2771	1⅜	1⅛	1⅜	+⅛
Zygo	14	5	4½	5	+¼
Zymos	335	⅝	⅝	⅝	+⅛

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, May 4.

Option & price		Calls			Puts		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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(Continued From Back Page)

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MONDAY SPORTS

Knicks Put Celtics Out of Playoffs

United Press International

BOSTON — Patrick Ewing scored 31 points Sunday and the New York Knicks ended their 26-game losing streak at Boston Garden with a 121-114 triumph over the Celtics in the decisive Game 5 of their first-round playoff.

New York becomes only the third team in National Basketball Association history to rally from a 2-0 deficit in a best-of-five series. The only other NBA teams to recover from a 2-0 deficit in a five-game series were Fort Wayne over St. Louis in 1956 and Golden State over Utah in 1987.

The Knicks, who also received 26 points and 17 rebounds from Charles Oakley, will play the defending NBA champion Detroit Pistons in the Eastern Conference semifinal, beginning Tuesday night in Detroit.

New York scored a team playoff record 71 points in the second half. Guard Maurice Cheeks scored 17 of his 21 points after intermission.

Boston had won 20 of its 26 previous winner-take-all playoff games, including seven of eight since Larry Bird joined the team in 1979.

New York, which had not won in Boston Garden since Feb. 29, 1984, took the lead for good on Trent Tucker's three-pointer at 10:52 of the fourth quarter for a 90-87 advantage.

The Knicks put the game away with a 12-2 run late in the quarter, a surge capped by back-to-back three-pointers by Johnny Newman at 2:52 and Ewing at 2:03. It was just the second three-pointer of his five-year NBA career.

The Celtics, who set an NBA playoff scoring record with 157 points in Game 2 eight days earlier, lost their shooting touch in the final quarter. The Boston starting front line of Bird, Robert Parish and Kevin McHale totaled only 6 points in the first 11 minutes of the quarter.

Boston, which had won its previous 13 home games, was led by Bird with 31 points. Parish added 22

NBA PLAYOFFS

points, Dennis Johnson 21, Reggie Lewis 19 and McHale 17. The Boston bench scored just 4 points.

The Celtics, who lost to Detroit in the opening round of the playoffs last year, were eliminated in the first round in consecutive years for the first time since 1951-52.

In Saturday's game, The Associated Press reported:

76ers 113, Cavaliers 97: In Philadelphia, Hersey Hawkins scored a career-high 39 points for the 76ers, who won the first-round series, 3-2.

Hawkins was 14 of 26 from the field, including 4 of 6 from 3-point range. He scored 16 points in the first period as Philadelphia took a lead it never relinquished.

"I was ready," Hawkins said. "The coaches saw I was into it and started running plays for me."

The 76ers advanced to the Eastern semifinals for the first time since the 1985-86 season. They open a best-of-7 series Monday night at Chicago against the Bulls. During the regular season, the Sixers and Bulls split four games.

"When the first one goes in, you want more," Hawkins said. "I was spotting up and (point guard) Johnny Dawkins kept finding me. I think that was the key."

Center Brad Daugherty led the Cavaliers with 23 points and nine rebounds.

The Sixers had six players in double figures — Hawkins, Barkley with 18, Anderson 16, Rick Mahorn and Mike Gminski 12 each and Dawkins 10. Barkley also grabbed 19 rebounds.

Cleveland was unable to get untracked because of the 76ers' tight defense.

John Williams had 20 points for Cleveland and Price 19.

In games Friday night, the AP reported:

Jazz 105, Suns 94: In Phoenix, Arizona, Karl Malone broke out of a shooting slump to score 33 points and teamed with Darrell Griffith for a decisive 10-0 run to close the third period as the Jazz sent the series to a fifth and deciding game.

Malone also had 11 rebounds and five of his team's 12 steals.

Thurl Bailey added 18 points and John Stockton 16 for Utah.

Eddie Johnson paced Phoenix with 33 points — 16 in the fourth quarter. He tied his own club playoff record with six 3-point shots.

Kevin Johnson had 22 points and Jeff Hornacek 16 for the Suns while Tom Chambers continued to struggle with only 14 points on 4-for-14 shooting from the field. He also made nine of his team's 16 turnovers.

The Suns trailed 91-79 with 6:35 to play before rallying within 97-94 on Eddie Johnson's final 3-pointer with 1:39 remaining.

However, Phoenix didn't score again and Utah sealed the victory by scoring the final eight points. Bailey's jumper with 1:19 left gave Utah some breathing room. Malone's hook with 33 seconds remaining and two free throws each by Stockton and Blue Edwards in the final 12 seconds completed the scoring.

Knicks 135, Celtics 108: In New York, Patrick Ewing scored 44 points and the Knicks continued a dramatic turnaround from their humiliating loss at Boston last Saturday, when the Celtics' 157-128 rout gave them a 2-0 lead in the series.

In an inspired performance, Ewing was 18-for-24 from the field and fell two points short of the Knicks' single-game playoff record, set by Bernard King. Johnny Newman added 24 and Gerald Wilkins had 20. Ewing had 13 rebounds.

The Knicks led by eight at halftime, then took control by starting the third quarter with a 27-17 run for a 92-74 advantage. The Celtics got no closer than 11 after that and trailed by as many as 37 in the fourth period.

The Celtics held Ewing to four points in the second period and started the quarter with a 15-6 run to pull ahead 45-42 with 8:47 remaining in the half.

But Maurice Cheeks then scored seven points and Newman had six during a 21-8 run that gave the Knicks a 63-53 lead with 2:27 left. New York led 65-57 at halftime.

George Widman/The Associated Press

The Sixers' Charles Barkley tries to avoid Larry Nance.

170 Arrested in Soccer Rampages

Compiled by Our Staff From Dispatches

Soccer-related violence exploded in parts of Britain, West Germany, Belgium and the Netherlands over the weekend as rival fans clashed with one another and with the police. More than 170 people were arrested.

The violence at the close of the English soccer season raised fears that England would continue to be barred from European competition if drunken hooligans repeat the latest rampage at next month's World Cup games.

More than 70 people were arrested and at least 20 injured on Friday and Saturday in the worst soccer violence in Britain in a year when visiting soccer fans ran riot in the resort of Bournemouth, attacking police and destroying property.

British police have already warned that English and Dutch soccer hooligans are planning to clash during the first round of the World Cup, when as many as a thousand fans from the two countries are expected to stay on the islands of Sicily and Sardinia for two weeks while their teams try to qualify for the next round.

The trouble in Bournemouth began Friday night when visiting Leeds United supporters went on a rampage, setting fire to the pier, torching beach huts and looting shops. On Saturday around 3,000 Leeds United supporters without tickets tried to force their way into the stadium.

Police in riot gear pushed them back. The youths pelted them with stones, bottles and bricks and even attacked ambulances. Six police officers were hurt.

The post-match violence spilled over into the nearby town of Weymouth, where 600 Leeds supporters, angry at being kept out of the pubs, rioted.

In Mannheim, West Germany, the police said they detained 75 fans during fighting between rival groups after a first division match Saturday. Two policemen were slightly injured.

The fighting broke out in downtown Mannheim after Fortuna Duesseldorf beat Mannheim, 1-0. Rival fans fought for three hours near Mannheim's main train station, the authorities said.

Dutch police, meanwhile, reported arresting 34 persons after gangs of Ajax Amsterdam supporters turned violent in the eastern town of Nijmegen, hurling furniture into the street from a hotel.

The Ajax fans were awaiting a crucial match Sunday against the local NEC team. Ajax won the Dutch Honor Division title Sunday with a 1-1 tie, wresting the championship from PSV Eindhoven, which had held it since 1986.

In Belgium, about 500 soccer fans, hurling paving stones, billiard balls and crosses stolen from a cemetery, fought pitched battles with police in the historic city of Bruges, the Belga news agency said.

Seven police officers were slightly injured before they were forced to retreat from the square in the center of Bruges.

Bruges police commissioner Robert Caestecker described the fighting, which began late on Saturday after Club Bruges clinched the Belgian soccer league title in a home match, as "guerrilla warfare." *(Reuters, AP)*

SIDELINES

Graf Defeats Sanchez Vicario

HAMBURG (AP) — Steffi Graf rallied after dropping the first set to beat Arantxa Sanchez Vicario of Spain, 5-7, 6-0, 6-1, and win her fourth straight title in the $350,000 Citizen Cup tennis tournament Sunday.

Graf needed more than two hours to fight off a stiff challenge from Sanchez Vicario, who beat Graf in the 1989 French Open final.

Sanchez Vicario won the first set in 61 minutes. The match completely changed in the second set, however, as Graf suddenly found her range and Sanchez Vicario found she could no longer chase every ball.

Briton Repeats in Paris Marathon

PARIS (AP) — Britain's Steve Brace won his second consecutive Paris Marathon on Sunday, beating Jean-Baptiste Protais of France by 31 seconds.

Brace's winning time was 2 hours, 13 minutes, 10 seconds, well off the course record of 2:10:49. Portugal's Manuel Mattias, winner in 1988 and finished third in 2:14:27.

The top finisher among the women was Yishiko Yamamoto of Japan in 2.35:11.

Reuters

Steve Brace wins in 2:13:10.

For the Record

Ireland's Stephen Roche won his first stage race since his victory in the Tour de France three years ago when he took the Dunkerque Four Days on Sunday. Roche finished 17 seconds ahead of second-place François Lemarchand of France. *(AFP)*

Mats Naslund, the Swede who many said was too small (5-foot-7; 1.70-meters) to play in the National Hockey League, has announced that he is ending his career with the Montreal Canadiens to play in Switzerland with Lugano. *(Reuters)*

Jose-Maria Olazabal of Spain shot a 3-under-par 69 on Sunday to take a one-shot lead over Welshman Ian Woosnam after three rounds of a $574,000 PGA European golf tournament at St. Mellion, England. *(AP)*

Masashi "Jumbo" Ozaki came from behind Sunday with the golf tournament's best score, a seven-under-par 64, and won the Fuji Sankei Classic by one shot in Ito, Japan. *(AP)*

Auckland defeated Fiji, 21-8, on Saturday to win the South Pacific Championship rugby union series for the fifth straight year. *(AP)*

Australia is negotiating to play a four-match cricket series against Pakistan in the United States later this month. The proposed schedule includes two matches in New York on May 12 and 13, one in Houston on May 19 and one in Los Angeles on May 26. *(AP)*

Tirol, with Michael Kinane up, won the English 2,000 Guineas horse race on Saturday in Newmarket, England. *(Reuters)*

Quotable

● Soviet gymnast Svetlana Boginskaya, 17, after romping to her second European all-around title on Saturday in Athens: "I intend to go to Seattle for the Goodwill Games in August. I shall retire for sure. I feel slightly old, and I want to do other things in my life." *(Reuters)*

Jim Gerberich/The Associated Press

Jockey Craig Perret brought Unbridled home in a flash.

Unbridled's Late Kick Wins Derby

By Andrew Beyer
Washington Post Service

LOUISVILLE, Kentucky — Great stretch runs are the stuff of legends in the Kentucky Derby, but few winners have ever finished as powerfully as Unbridled did on Saturday.

The bay colt flew the final quarter-mile at Churchill Downs in 24 and two-fifth seconds, the fastest such time since Secretariat, to win the 116th running of America's most famous horserace. This burst of speed enabled him to draw away from Summer Squall by 3½ lengths and leave the rest of the 15-horse field far in his wake.

Unbridled had given only few signs before Saturday that he was capable of such a performance. He fooled not only the crowd of 128,257, which dismissed him at odds of 11 to 1, but also jockey Pat Day, who had surrendered the mount to Craig Perret so he could be aboard Summer Squall, the favorite.

The upset winner had the right style in this Derby, which took a toll on all the horses with early speed. A swift early pace had enervated all of the front-runners, including the favored Mister Frisky, who tired to finish eighth, suffering his first defeat after a streak of 16 straight victories. All of the top six finishers, including third-place Pleasant Tap and fourth-place Video Ranger, rallied from well off the early lead.

The other finishers were: 5. Silver Ending; 6. Killer Diller; 7. Land Rush; 8. Mister Frisky; 9. Thirty Six Red; 10. Power Lunch; 11. Real Cash; 12. Dr. Bobby A.; 13. Pendleton Ridge; 14. Burnt Hills; 15. Fighting Fantasy.

This was the way the Derby had figured to develop, and all of the trainers and jockeys involved in the race had been keenly aware that there was so much speed in the field. But the principal contenders — notably Mister Frisky — couldn't alter their basic styles. So when the gate opened, jockey Gary Stevens had the favorite in high gear, racing head-and-head with trainer Wayne Lukas's speedster, Real Cash. Three other speedsters were pressing them as they zipped the first quarter mile in 22 and three-fifths seconds.

Day had managed to get Summer Squall to relax early, and he was sitting in perfect position, just before the first flight of horses. Unbridled, meanwhile, had been jostled as he came out of the gate.

But it didn't matter; the stretch-runner figured to be near the rear of the pack anyway. And after that, Perret said, "It was a beautiful trip."

Mister Frisky and Real Cash were battling down the backstretch. But Summer Squall had moved just behind him, and Day seemed poised to score. On the final turn he accelerated sharply past the leaders.

But Summer Squall looked like a winner only for an instant. Perret had been saving ground around part of the turn, but the horse under him was so strong that he swung to the outside.

As they turned into the stretch, Perret said, "I saw Pat hit his horse left-handed and I said to myself, 'You're in trouble!' " And Day was.

Unbridled is owned by 92-year-old Frances Genter, who, along with her late husband, maintained one of the country's most successful breeding and racing operations since 1940. Their stable had bred and raced more than 40 stakes winners, but never had a Kentucky Derby starter before Saturday.

[Genter, standing among other owners, couldn't see her colt nor hear the call of the track announcer, The Associated Press reported. Instead, trainer Carl Nafgzer was her eyes and ears. With a shaking hand covering her mouth and a stunned look on her face, she heard him give a running call into the hearing aid in her right ear:

["Here he comes . . . he's taking the lead . . . he's going to win . . . he's a winner, he's a winner, he's a winner!" With tears in her eyes, she moved her hand awy from her mouth and kissed the trainer.]

WORLD CUP WARMUP

2 Key Stadiums Pledged to Be Ready

ROME (AP) — Rome and Naples have pledged to have their soccer stadiums ready by May 15, three weeks before World Cup play starts, the head of the cup's organizing committee said says.

"They're still working in Rome and Naples, but we have total, absolute guarantees" from CONI (Italian Olympic Games Committee overseeing work at Rome's Olympic Stadium) and from the city of Naples, that they will be ready by May 15, Luca Cordero di Montezemolo, the organizer, said Saturday.

The World Cup's first game begins June 8 in Milan.

Work outside the stadiums, such as new parking facilities, will probably continue past May 15, Montezemolo indicated.

"It's typical that in Italy everything would be done at the last moment," he said. "It would have been absurd to think otherwise."

Montezemolo also proclaimed ticket sales a "sensational, record" success for World Cups. Organizers say 87.5 percent of the 2.6 million tickets for the 52 matches have been sold. Final sales should reach 90 percent, he said. Montezemolo said that ticket demand was higher than expected in Asia, particularly Japan, and in the United States.

U.S. Beats a Weak Malta Team, 1-0

PISCATAWAY, New Jersey (AP) — Eric Wynalda scored on a 10-yard shot in the sixth minute as the United States beat Malta, 1-0, Saturday in a warmup match for the World Cup.

Wynalda, a 20-year-old forward, took a cross from Paul Caliguiri and beat Malta goalkeeper Reginald Cini to the far post.

The United States plays Poland on Wednesday at Hershey, Pennsylvania, and Ajax Amsterdam of the Netherlands next Sunday in Washington.

Malta went 0-6-2 in World Cup qualifying and was outscored 18-3.

Liverpool striker Peter Beardsley, who has been sidelined for a month with a knee injury, said Sunday he is fit again and available for England's next World Cup warmup game against Denmark on May 15. It had been feared that the injury would rule him out of the cup finals. *(Reuters)*

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Saturday's Jumbles: SNACK APRON BUOYED ASTHMA
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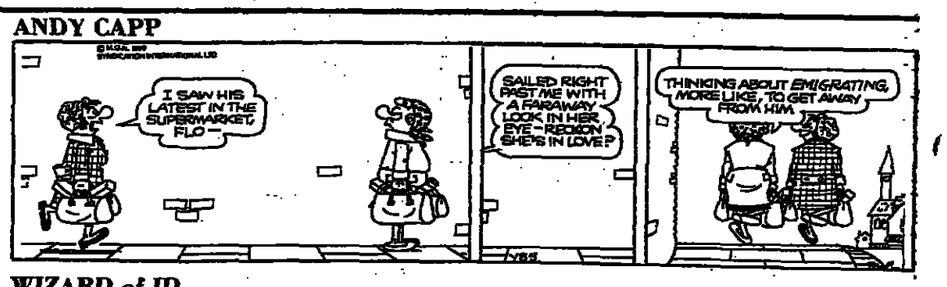
PEANUTS

BLONDIE

BEETLE BAILEY

DOONESBURY

ANDY CAPP



WIZARD of ID

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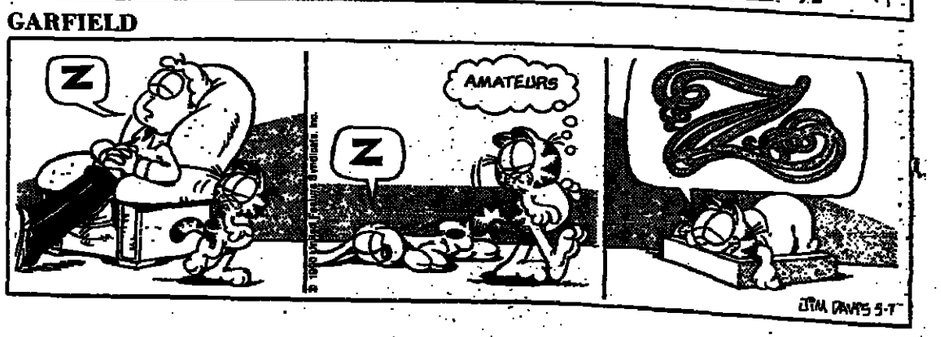
GARFIELD



هكذا من الأصل

MONDAY SPORTS

Bruins Take 2-0 Lead Over Caps, Blackhawks Stay Even With Oilers

Compiled by Our Staff From Dispatches

Andy Moog stopped all 28 Washington shots Saturday night for his second shutout of the playoffs and Cam Neely and Craig Janney each collected a goal and an assist, leading the Boston Bruins to a 3-0 victory over the Capitals and a 2-0 lead in the Wales Conference final.

Games 3 and 4 will be played Monday and Wednesday at Landover, Maryland.

Moog, who entered this postseason without a shutout in 50 previous playoff games, played steady position goaltending against the Capitals, controlling rebounds as his defensemen spared him from having to make spectacular saves.

Bobby Carpenter scored the game's first goal at 3:23 of the second period, completing a rush from the Bruins' zone with a 30-foot wrist shot. Neely's ninth goal of the post-season provided a 2-0 lead at 2:56 of the third period. Janney connected on his

NHL PLAYOFFS

second goal of the playoffs 3:07 later for a three-goal Boston advantage.

Washington was without star winger Dino Ciccarelli and defenseman Kevin Hatcher, both sidelined by knee injuries.

Blackhawks 4, Oilers 3: In Edmonton, Alberta, Doug Wilson's tie-breaking goal with 1:59 remaining led the Chicago Blackhawks Friday night, tying their NHL playoff series at a game apiece.

Wilson scored on a wrist shot from the top of the left circle only moments after Edmonton goaltender Bill Ranford had robbed Steve Larmer on a shot from 15 feet out.

Esa Tikkanen attempted to clear the puck after Larmer's shot, and it wound up on Wilson's stick. The Blackhawks' defenseman wristed a 35-footer past a screened Ranford, sending the Campbell Conference series back to Chicago for the third and fourth games on Sunday night and Tuesday night.

Greg Millen, who had a 4-18-4 career record against the Oilers, had never played against them in a playoff game. Ed Belfour had played the last five games for the Blackhawks. *(UPI, AP)*

Blue Jays Outslug Tigers on Day for Home Runs

The Associated Press

TORONTO — Cecil Fielder hit three home runs and Chet Lemon hit two Sunday for Detroit, but Kelly Gruber, with two, and three teammates homered for Toronto as the Blue Jays beat the Tigers, 11-7.

The 10 home runs were one short of the major league record. Eleven homers have been hit in seven games, most recently on Sept. 14, 1987, when Toronto hit 10 and Baltimore got one.

Fielder went 4-for-5 and drove in five runs. He became the first Detroit player to hit three homers since Bill Madlock on June 28, 1987, and the first major leaguer to do it since Von Hayes last Aug. 29.

Fielder, a former Blue Jay who in 1989 played in Japan, leads the majors with 10 homers and 25 runs batted in. But Tom Henke struck him out in the ninth with a runner on.

Rangers 9, Indians 5: Candy Maldonado homered twice and had five RBI as seven homers were hit the first game of a doubleheader in Cleveland.

Maldonado, signed as a free agent this season, hit a three-run homer in the first and two-run shot in the fifth. He now has seven home runs and 20 runs batted in in 23 games, after hitting nine homers and driving in 41 runs in 129 games for San Francisco last season.

Twins 4, Brewers 0: Minnesota rookie Kevin Tapani, who had not lasted more than four innings in his

BASEBALL ROUNDUP

previous two starts, pitched a five-hitter in Milwaukee for his first major-league shutout.

He five singles and struck out a career-high nine. Teddy Higuera became the first Milwaukee starter to lose this season after 11 victories.

The Twins scored in the first on three errors and got three runs in the sixth with five hits off Higuera. He had allowed only three earned runs in 27 previous innings.

Pirates 6, Braves 4: Sid Bream's three-run homer during a five-run fifth inning helped Neal Heaton win his 10th straight — he is 5-0 this season — in the first game of a doubleheader in Pittsburgh.

Heaton, who has a 2.89 ERA, had lost 16 of 20, starting with a 3-10 season for Montreal in 1988, before his winning streak began.

Mets 7, Astros 4: Kevin McReynolds' three-run homer with one out in the 11th beat Houston in the first game of a doubleheader in New York.

The Astros took a 4-3 lead in the top of the 11th on John Franco's bases-loaded balk.

Dave Smith, who came on in the 11th, walked Mark Carreon with one out before Tim Teufel, who had three hits and four RBI, doubled to tie the score. Howard Johnson was intentionally walked and McReynolds followed with his third homer this year, a high fly over the left-field wall.

Phillies 9, Dodgers 5: Ricky Jordan's grand slam capped a six-run seventh inning as Philadelphia rallied from a four-run deficit to beat visiting Los Angeles.

With the score 5-3, Darren Daulton, Charlie Hayes and pinch-hitter Randy Ready singled for one run. Lenny Dykstra singled in the tying run before reliever Tim Crews struck out Tom Herr but walked Von Hayes, loading the bases. Jordan, on the next pitch, hit his first homer this season and his first grand slam in the majors.

Expos 7, Giants 0: Rookie Mark Gardner pitched a six-hitter in Montreal for his first major league victory and his teammates scored six runs against San Francisco in the sixth inning.

Nelson Santovenia and Otis Nixon each got three of Montreal's 13 hits. The Expos sent up 11 batters in the sixth, the first time in 107 innings they scored more than two runs in an inning.

Reds 5, Cardinals 1: Scott Scudder, brought up from the minors earlier in the day, allowed five hits in 7⅓ innings in St. Louis as Cincinnati won its fourth straight.

Ron Oester doubled twice and hit a run-scoring single for the Reds, now 15-0 when they have scored first.

Padres 8, Cubs 3: Joe Carter drove in three runs for San Diego while Roberto Alomar and Benito Santiago each drove in two in Chicago and Ed Whitson pitched his third complete game this year.

In games played Saturday, The Associated Press reported:

Astros 9, Mets 5: Mike Scott gave up a team record-tying four home runs but still won his first game this season as Dwight Gooden allowed Houston six runs on nine hits in 6⅔ innings, the sixth run scoring on a wild pitch.

Scott gave up five runs on nine hits in six innings in recording his first regular season victory at Shea Stadium, where he had been 0-3. The Astros got 14 hits, four by Bill Doran, five stolen bases and three walks, plus the wild pitch.

Giants 4, Expos 1: Robby Thompson's two-run homer broke an eighth-inning tie in Montreal and San Francisco ended its three-game losing streak. Thompson began the game batting .214 with one homer.

Cubs 3, Padres 2; Padres 6, Cubs 5: Mark Parent drove in four runs, two with a single and two with a double, as San Diego split the doubleheader in Chicago.

The Cubs won the first game on Shawon Dunston's two-run homer with two out in the home ninth.

Dodgers 3, Phillies 0: Mike Morgan pitched a six-hitter in Philadelphia for his second shutout this year. Hubie Brooks and Mike Scioscia hit consecutive homers in the Los Angeles second inning.

Reds 4, Cardinals 2: Barry Larkin drove in three runs in the first two innings in St. Louis as Cincinnati won for the 10th time in 12 road games this season.

Rangers 9, Indians 5: Julio Franco, obtained from the Indians in 1989, drove in three runs in Cleveland, two with a homer that broke a 5-5 tie in the seventh.

Blue Jays 5, Tigers 1: Tony Fernandez led off the home first with a homer in Toronto and John Olerud followed with a two-run shot against Detroit that inning.

Twins 9, Brewers 5: Brian Harper, after a 25-minute rain delay in Milwaukee, hit a grand slam homer off the second pitch to him in the eighth as Minnesota rallied for its fourth straight victory.

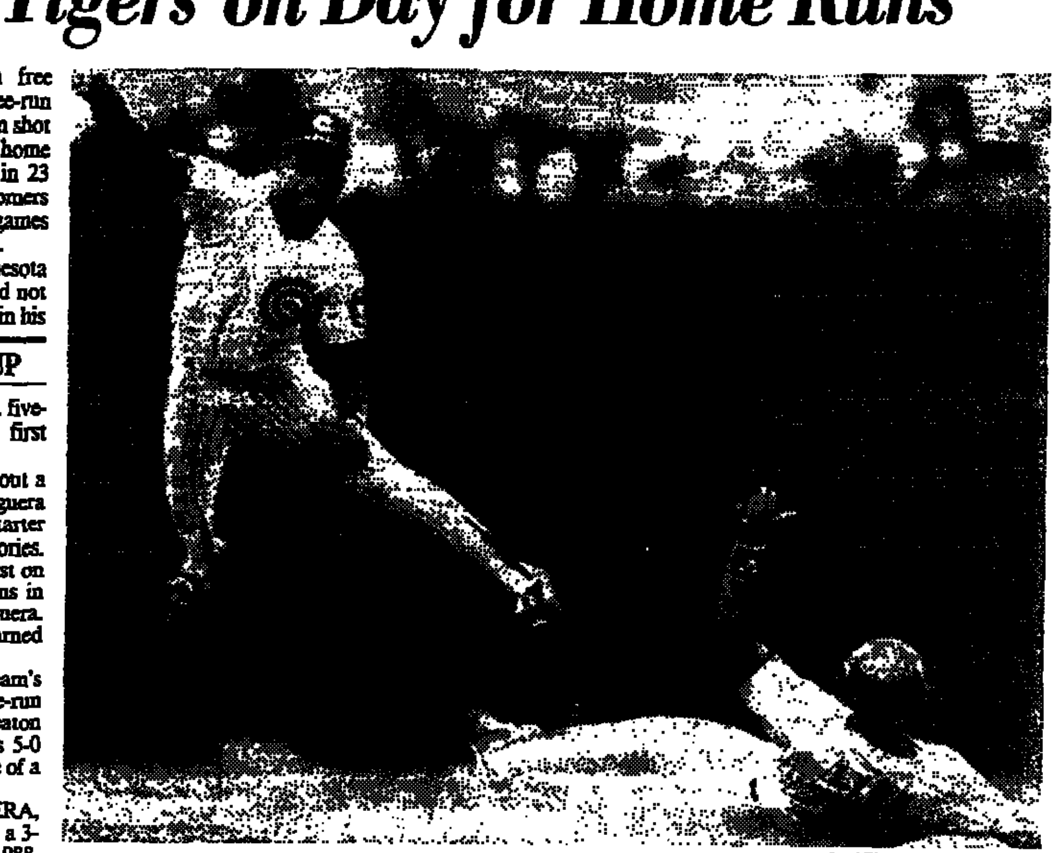
White Sox 6, Royals 0: Eric King pitched a five-hitter in Kansas City, Missouri, for Chicago's first complete game this year and the Royals' 12th loss in 14 games. Sammy Sosa, who tied a team record Friday night by striking out five times, had two hits, two stolen bases and one of his team's three sacrifice flies.

Yankees 11, Angels 3: Two-run singles by Mike Blowers and Roberto Kelly during a six-run fourth inning gave New York its victory in Anaheim, California.

Don Mattingly, with three hits, and Claudell Washington each had two RBI as the Yankees got 14 hits and scored their most runs this year.

Mariners 5, Orioles 2: Two sacrifice flies, a walk, a hit batter and Ken Griffey Jr.'s RBI single scored two runs, ending a 1-1 tie in the third in Seattle.

Red Sox 5, Athletics 1: Dwight Evans hit a three-run homer in the eighth after Mike Boddicker held the A's to six hits for seven innings and Boston won in Oakland for just the third time in the last 22 games.



David Klobucar/The Associated Press

Shawon Dunston, who leaped over Fred Lynn to get a double play in the fourth, gave Chicago a 3-2 victory over San Diego in the first game of a doubleheader with a two-out, two-run homer in the ninth.

SCOREBOARD

BASEBALL

Major League Standings

Through Saturday's Games

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Milwaukee	14	7	.667	—
Boston	13	10	.565	2
Toronto	14	11	.560	2
Cleveland	11	11	.500	3½
Baltimore	10	14	.417	5½
New York	9	13	.409	5½
Detroit	9	16	.360	7

West Division

	W	L	Pct.	GB
Oakland	17	6	.739	—
Chicago	13	7	.650	2½
Texas	13	10	.565	4
Minnesota	11	12	.478	6
Seattle	11	14	.440	7
California	10	14	.417	7½
Kansas City	6	16	.273	10½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	14	8	.636	—
Philadelphia	13	11	.542	2
Montreal	12	12	.500	3
Chicago	11	12	.478	3½
New York	10	13	.435	4½
St. Louis	10	14	.417	5

West Division

	W	L	Pct.	GB
Cincinnati	16	5	.762	—
Los Angeles	14	11	.560	4
Houston	11	12	.478	6
San Diego	11	12	.478	6
San Francisco	9	15	.375	8½
Atlanta	7	13	.350	8½

Saturday's Line Scores

AMERICAN LEAGUE

Texas 002 002 230—9 12 0
Cleveland 220 100 000—5 10 1

Brown, Jeffcoat (8), Russell (9) and Stanley, Petralli (6); Swindell, Olin (6), Guante (7), Valdez (8) and Alomar. W— Brown, 5-0. L— Guante, 0-1. HR—Texas, Franco (2).

Detroit 000 000 001—1 7 0
Toronto 201 000 01x—5 8 0

Robinson, Gibson (3), Lugo (7), Gleaton (7) and Salas; Stottlemyre and Borders. W— Stottlemyre, 4-2. L—Robinson, 1-3. HRs—Toronto, Fernandez (2), Olerud (3), Borders (4).

Minnesota 012 000 150—9 11 2
Milwaukee 101 012 000—5 9 1

Smith, Candelaria (6), Wayne (8), Leach (9) and Harper; Bosio, Crim (7), Plesac (8), Fossas (9) and Surhoff. W— Candelaria, 3-0. L— Crim, 1-1. HRs—Minnesota, Bush (2), Harper (3). Milwaukee, Deer (5).

Boston 001 100 030—5 8 1
Oakland 100 000 000—1 5 1

Boddicker, Reardon (8) and Pena; Welch, Burns (9), Klink (9) and Hassey. W—Boddicker, 3-3. L—Welch, 3-2. HRs— Boston, Evans (4). Oakland, R.Henderson (4).

Chicago 120 010 200—6 8 0
Kansas City 000 000 000—0 5 0

King and Karkovice; Dotson, Aquino (5), McWilliams (8), Bailer (9) and Boone, Palacios (9). W—King, 2-0. L— Dotson, 0-2.

New York 000 623 000—11 14 1
California 010 020 000— 3 6 2

C.Parker, Plunk (9) and Geren; McCaskill, Corbett (5), Bailes (6), Harvey (8), Eichhorn (9) and Orton. W— C.Parker, 1-1. L—McCaskill, 2-1.

Baltimore 001 010 000—2 6 1
Seattle 012 011 00x—5 10 1

D.Johnson, Price (6), Holton (7) and Tettleton; Holman, Swift (8), Schooler (9) and S.Bradley. W—Holman, 4-2. L— D.Johnson, 2-2. Sv—Schooler (7).

NATIONAL LEAGUE

First Game

San Diego 000 001 010—2 8 0
Chicago 010 000 002—3 7 1

Benes, Lefferts (8) and Santiago; Maddux and Girardi. W—Maddux, 4-1. L—Lefferts, 1-1. HR—Chicago, Dunston (5).

Second Game

San Diego 020 400 000—6 12 2
Chicago 001 102 001—5 9 1

Rasmussen, Harris (6) and Parent; Nunez, Lancaster (4), Long (4), Kraemer (7) and Wrona, Girardi (7). W—Rasmussen, 2-1. L— Nunez, 1-3. Sv—Harris (1).

San Francisco 000 000 121—4 8 1
Montreal 000 010 000—1 4 0

Burkett, Brantley (8) and Kennedy; DeMartinez, Sampen (9) and Santovenia, Fitzgerald (8). W—Burkett, 2-0. L— DeMartinez, 2-2. Sv—Brantley (2). HRs— San Francisco, Mitchell (6), Thompson (2).

Houston 003 010 230—9 14 1
New York 300 110 000—5 11 0

Scott, Andersen (7) and Biggio; Gooden, Musselman (7), Whitehurst (8) and Lyons, Sasser (8). W—Scott, 1-2. L—Gooden, 1-3. HRs—New York, Johnson (7), Strawberry (3), Jefferies (2), McReynolds (2).

Los Angeles 030 000 000—3 8 0
Philadelphia 000 000 000—0 4 0

Morgan and Scioscia; K.Howell, Parrett (7), R.McDowell (9) and Lake, Daulton (9). W—Morgan, 4-1. L—K.Howell, 2-3. HRs—Los Angeles, Brooks (5), Scioscia (4).

Cincinnati 220 000 000—4 12 0
St. Louis 000 000 200—2 8 1

Rijo, Dibble (7), Myers (8) and Oliver; Magrane, Niedenfuer (6), Tewksbury (7), DiPino (9), Terry (9) and Zeile. W—Rijo, 2-1. L— Magrane, 0-5. Sv—Myers (6).

Atlanta at Pittsburgh, rained out

Friday's Line Scores

AMERICAN LEAGUE

Detroit 012 000 000—3 9 0
Toronto 000 000 100—1 5 2

Petry, Nunez (8), Henneman (9) and Heath; Flanagan, Wills (5), Acker (8), D.Ward (9) and Myers, Borders (3). W— Petry, 2-1. L— Flanagan, 2-2. Sv—Henneman (6). HRs—Detroit, Moseby (2), Trammell (2).

Chicago 001 010 101 01—5 10 0
Kansas City 000 301 000 00—4 11 2

(11 innings)

Kutzler, Edwards (6), Jones (10), Thigpen (11) and Fisk; Gordon, Montgomery (7), M.Davis (9), Farr (11) and Boone. W—Jones, 3-0. L—Farr, 1-1. Sv—Thigpen (6).

New York 001 012 000—5 7 1
California 100 000 001—2 5 0

LaPoint, Mills (6), Guetterman (8) and Geren; Langston, Witt (7) and Parrish. W— LaPoint, 2-2. L—Langston, 2-2. HR— New York, Barfield (4).

Boston 100 010 001—3 9 0
Oakland 000 012 40x—7 9 0

Clemens, Murphy (7), Je.Reed (7) and Pena; Stewart, Nelson (8), Honeycutt (9) and Steinbach. W—Stewart, 6-0. L—Clemens, 4-2. HRs—Oakland, Jose (3), Canseco (6), Steinbach (2).

Baltimore 110 200 230—9 11 1
Seattle 201 000 000—3 10 0

Harnisch, Williamson (7), Hickey (7), Olson (8) and Tettleton; Eave, Clark (4), Harris (7), Jackson (8), Comstock (8) and Valle. W— Hickey, 1-2. L—Jackson, 1-2. Sv—Olson (5). HRs—Baltimore, Horn (3), Worthington (3). Seattle, Briley (1), A.Davis (2).

Minnesota at Milwaukee, rained out

Texas at Cleveland, rained out

NATIONAL LEAGUE

San Francisco 004 000 000—4 11 1
Montreal 220 100 00x—5 8 0

Reuschel, Thurmond (7) and Kennedy; Gross, Schmidt (7), Burke (9) and Fitzgerald. W—Gross, 3-1. L—Reuschel, 2-2. Sv—Burke (7). HR—Montreal, Raines (1).

Cincinnati 200 021 012—8 15 0
St. Louis 101 010 000—3 8 1

Robinson, Charlton (6), Dibble (8) and Oliver; Tudor, Niedenfuer (6), Tewksbury (7), Horton (8), Terry (8), DiPino (9) and Zeile. W—Robinson, 1-1. L—Tudor, 4-1. Sv—Dibble (4). HR—St. Louis, Thompson (2).

Los Angeles 100 200 000—3 11 1
Philadelphia 401 000 30x—8 10 0

R.Martinez, Hartley (4), Searage (5), Crews (6), Munoz (8) and Dempsey; Combs, Akerfelds (5), Carman (6) and Daulton. W—Carman, 1-0. L—R.Martinez, 2-1. HRs—Los Angeles, Daniels (3). Philadelphia, V.Hayes (4).

San Diego at Chicago, rained out

Houston at New York, rained out

Atlanta at Pittsburgh, rained out

Japan Baseball

Central League

	W	L	T	Pct	GB
Taiyo	13	7	2	.650	—
Yomiuri	15	9	0	.625	—
Hanshin	13	11	0	.542	2
Hiroshima	9	13	1	.413	5
Chunichi	8	13	1	.386	5½
Yakult	8	13	0	.381	5½

Pacific League

	W	L	T	Pct	GB
Seibu	14	5	0	.737	—
Lotte	9	7	0	.563	3½
Nippon Ham	10	9	0	.526	4
Orix	10	10	1	.500	4½
Kintetsu	7	12	0	.368	7
Daiei	7	14	1	.341	8

Saturday's Results

Hiroshima 11, Yomiuri 5
Taiyo 4, Hanshin 3
Chunichi 3, Yakult 1
Daiei 4, Lotte 1
Seibu vs. Orix, ppd., rain
Kintetsu vs. Nippon Ham, ppd., rain

Sunday's Results

Hiroshima 2, Yomiuri 0
Hanshin 12, Taiyo 11
Yakult 3, Chunichi 1
Seibu 7, Orix 0
Nippon Ham 3, Kintetsu 2
Daiei 7, Lotte 1

HOCKEY

NHL Playoffs

CAMPBELL CONFERENCE FINAL

(Best-of seven series)

Chicago	1	2	1	—4
Edmonton	0	1	2	—3

First Period—1, Chicago, T.Murray 3 (Roenick, Gilbert), 17:50. Second Period—2, Chicago, Savard 5 (Graham, Lemieux), 2:02. 3, Edmonton, Anderson 4 (Messier), 9:49. 4, Chicago, Thomas 4 (Presley, Savard), 17:34.5, Edmonton, Kurri 6 (Tikkanen, S.Smith), 19:01 (pp). Third Period—6, Edmonton, Tikkanen 9 (MacTavish, Kurri), 2:18. 7, Chicago, Wilson 3 (Savard), 18:01.

Shots on goal: Chicago (on Ranford) 6-19-14—39; Edmonton (on Millen) 7-9-11—27.

Series tied, 1-1

WALES CONFERENCE FINAL

Washington	0	0	0	—0
Boston	0	1	2	—3

First Period—None. Second Period—1, Boston, Carpenter 4 (Beers), 3:23. Third Period—2, Boston, Neely 9 (Janney, Propp), 2:56. 3, Boston, Janney 2 (Neely), 6:03.

Shots on goal: Washington (on Moog) 8-12-8—28; Boston (on Beaupre) 6-11-13—30.

Boston leads series, 2-0

SOCCER

ENGLISH FIRST DIVISION

Coventry 1, Liverpool 6
Crystal Palace 2, Manchester City 2, tie
Derby 2, Luton 3
Everton 3, Aston Villa 3, tie
Manchester United 1, Charlton 0
Millwall 1, Chelsea 3
Norwich 2, Arsenal 2, tie
Queens Park Rangers 2, Wimbledon 3
Sheffield Wednesday 0, Nottingham Forest 3
Tottenham 2, Southampton 1

Standings: Liverpool 79, Aston Villa 70, Tottenham 63, Arsenal 62, Chelsea 60, Everton 59, Southampton 55, Wimbledon 55, Nottingham Forest 54, Norwich 53, Queens Park Rangers 50, Coventry 49, Manchester United 48, Manchester City 48, Crystal Palace 48, Derby 46, Luton 43, Sheffield Wednesday 43, Charlton 30, Millwall 26.

WEST GERMAN FIRST DIVISION

FC Cologne 2, Hamburger SV 0
FC St. Pauli 3, Bayer Leverkusen 0
Werder Bremen 2, Bayern Munich 2
Borussia Dortmund 1, FC Kaiserslautern 1
FC Nuremberg 1, Bayer Uerdingen 1
Borussia Moenchengladbach 3, VfB Stuttgart 1
FC Homburg 1, VfL Bochum 0
Karlsruhe SC 1, Eintracht Frankfurt 0
Waldhof Mannheim 0, Fortuna Duesseldorf 1

Standings: Bayern Munich 47, FC Cologne 43, Borussia Dortmund 41, Eintracht Frankfurt 39, Bayer Leverkusen 39, VfB Stuttgart 35, Werder Bremen 32, Karlsruhe SC 32, FC Nuremberg 31, FC St. Pauli 31, FC Kaiserslautern 31, Fortuna Duesseldorf 30, Bayer Uerdingen 29, Hamburger SV 29, Bor. Moenchengladbach 29, VfL Bochum 27, SV Waldhof Mannheim 26, FC Homburg 23.

FRENCH FIRST DIVISION

Saint-Etienne 0, Sochaux 2
Caen 1, RPT 0
Brest 1, Montpellier 1
Monaco 1, Metz 0
Cannes 1, Nice 0
Bordeaux 2, Toulouse 1
Paris SG 2, Nantes 2
Mulhouse 4, Lyon 4
Auxerre 0, Marseille 2
Toulon 1, Lille 1

Standings: Marseille 51, Bordeaux 49, Monaco 43, Sochaux 41, Paris-SG 40, Auxerre 39, Nantes 37, Lyon 36, Toulouse 36, Brest 35, Cannes 34, Metz 33, St. Etienne 33, Toulon 33, Montpellier 32, Lille 32, Caen 32, Nice 29, Paris Racing 29, Mulhouse 26.

DUTCH FIRST DIVISION

NEC Nijmegen 1, Ajax Amsterdam 1
Haarlem 0, PSV Eindhoven 2
Feyenoord 5, RKC Waalwijk 0
FC Groningen 5, MVV Maastricht 2
BVV Den Bosch 4, FC Twente Enschede 2
Roda JC 3, FC Den Haag 1
FC Utrecht 1, Vitesse 2
Fortuna Sittard 4, Volendam 1
Willem II 1, Sparta Rotterdam 1

Standings: Ajax 49, PSV Eindhoven 48, FC Twente Enschede 42, Vitesse 41, Roda JC 41, Volendam 29, Fortuna Sittard 28, RKC Waalwijk 27, FC Groningen 25, FC Den Haag 33, Feyenoord 31, Sparta Rotterdam 31, Willem II 27, FC Utrecht 27, MVV Maastricht 27, NEC Nijmegen 26, BVV Den Bosch 25, Haarlem 15.

SPANISH FIRST DIVISION

Real Madrid 5, Real Oviedo 2
Sporting Gijon 2, Atletico de Madrid 1
Valencia 4, Logrones 0
Cadiz 1, Celta 0
Malaga 2, Tenerife 1
Sevilla 0, Real Sociedad 1
Athletic de Bilbao 3, Rayo Vallecano 2
Zaragoza 2, Barcelona 0
Valladolid 0, Mallorca 0
Osasuna 1, Castellon 2

Standings: Real Madrid 62, Valencia 53, Barcelona 51, Atletico de Madrid 50, Real Sociedad 44, Sevilla 43, Logrones 41, Osasuna 40, Zaragoza 40, Mallorca 39, Oviedo 39, Athletic de Bilbao 37, Gijon 34, Castellon 32, Cadiz 30, Valladolid 30, Malaga 28, Tenerife 26, Celta 22, Rayo Vallecano 19.

INTERNATIONAL FRIENDLIES

United States 1, Malta 0
Brazil 2, Bulgaria 1
Colombia 2, Poland 1
Atlas de Mexico 2, Costa Rica 0

BASKETBALL

NBA Playoffs

(First Round: Best of five games)

EASTERN CONFERENCE

Detroit beat Indiana, 3-0

Saturday

Cleveland	29	20	23	25	—97
Philadelphia	28	21	33	21	—113

CLEVELAND: Bennett 2-5 0-0 4, Nance 2-7 5-7 9, Daugherty 10-19 5-8 25, Ehlo 4-9 2-4 10, Price 5-10 8-8 19, Williams 6-14 4-4 20, Kerr 0-1 0-0, Chievous 1-2 4-6 6, Rollins 0-1 2-2 2, Morton 0-2 0-0 0, Mokeski 1-1 0-0 2. Totals 33-71 30-39 97.

PHILADELPHIA: Barkley 7-15 4-7 18, Mahorn 5-13 2-2 12, Gminski 4-11 4-4 12, Dawkins 3-9 4-4 10, Hawkins 14-26 7-8 39, Thornton 1-4 1-2 3, Brooks 0-3 1-3 1, Anderson 4-9 8-8 16, Nimphius 0-0 0-0 0, Copeland 1-3 0-0 2, Payne 0-0 0-0 0. Totals 39-93 31-38 113.

3-Point goals—Cleveland 1-3 (Price 1-2, Ehlo 0-1). Philadelphia 4-10 (Hawkins 4-6, Brooks 0-1, Barkley 0-3). Fouled out—Williams. Rebounds—Cleveland 46 (Williams 13), Philadelphia 62 (Barkley 19). Assists—Cleveland 20 (Ehlo 5), Philadelphia 24 (Dawkins 14). Total fouls—Cleveland 26, Philadelphia 26. Technicals—Cleveland illegal defense. A—18,168.

Philadelphia wins series, 3-2

Friday

Boston	30	27	28	23	—108
New York	36	29	32	38	—135

BOSTON: Bird 6-15 8-8 21, McHale 8-13 8-9 24, Parish 4-8 2-2 10, Johnson 2-9 0-0 4, Lewis 8-12 7-10 23, Bagley 1-4 0-0 2, Kleine 4-5 3-4 11, Paxson 2-4 0-0 4, M.Smith 1-2 4-4 6, Pinckney 0-1 1-2 1, C.Smith 0-1 0-0 0, Gamble 1-1 0-0 2. Totals 37-75 33-39 108.

NEW YORK: Oakley 3-7 0-0 6, Vandeweghe 3-6 0-0 7, Ewing 18-24 8-9 44, Cheeks 6-10 3-4 15, G.Wilkins 9-14 1-1 20, Newman 8-13 8-11 24, Jackson 0-2 0-0 0, Walker 2-2 4-4 8, Tucker 2-7 0-0 5, E.Wilkins 2-3 2-2 6, Quinnett 0-1 0-0 0, Gray 0-1 0-0 0. Totals 53-90 26-31 135.

3-Point goals—Boston 1-3 (Bird 1-2, M.Smith 0-1), New York 3-7 (Vandeweghe 1-1, G.Wilkins 1-2, Tucker 1-4). Fouled out—None. Rebounds—Boston 45 (Bird 8), New York 41 (Ewing 13). Assists—Boston 21 (Johnson, Bagley 6), New York 43 (Cheeks 12). Total fouls—Boston 20, New York 26. Technicals—Boston coach Rodgers, Bird. A—18,212.

Series tied, 2-2

WESTERN CONFERENCE

Los Angeles beat Houston, 3-1

First Round

Utah	24	25	30	26	—105
Phoenix	22	26	21	25	—94

UTAH: Bailey 9-18 0-0 18, Malone 13-24 7-9 33, Eaton 2-3 1-2 5, Hansen 5-12 0-0 11, Stockton 6-12 4-4 16, Rudd 2-7 0-0 4, Edwards 0-0 2-2 2, M.Brown 2-5 1-2 5, Griffith 3-6 2-2 11. Totals 42-89 17-21 105.

PHOENIX: Chambers 4-14 6-8 14, Rambis 0-1 0-0 0, West 2-6 2-3 6, Hornacek 6-14 4-4 16, K.Johnson 9-23 3-4 22, Majerle 1-3 1-13, E.Johnson 11-17 5-7 33. Totals 33-78 21-27 94.

3-Point goals—Utah 4-10 (Griffith 3-4, Hansen 1-3, Stockton 0-1, Rudd 0-2), Phoenix 7-15 (E.Johnson 6-7, K.Johnson 1-3, Chambers 0-1, Hornacek 0-4). Fouled out—West. Rebounds—Utah 52 (Malone 11), Phoenix 50 (West 11). Assists—Utah 26 (Stockton 14), Phoenix 22 (K.Johnson 13). Total fouls—Utah 24, Phoenix 23. Technical—Utah coach Sloan. A—14,487.

Series tied, 2-2

Second Round

San Antonio	22	30	22	20	—94
Portland	31	21	26	29	—107

SAN ANTONIO: Elliott 5-11 1-1 11, Cummings 8-17 1-2 17, D.Robinson 3-11 3-6 9, Strickland 3-10 1-2 7, Anderson 6-14 1-1 17, Wingate 3-6 0-0 6, Jones 0-0 0-0 0, Brickowski 9-12 2-2 20, Mitchell 1-4 0-0 2, Moore 0-2 0-0 0, R.Williams 2-2 1-1 5. Totals 42-89 10-15 94.

PORTLAND: Kersey 11-22 3-8 25, B.Williams 6-11 5-8 17, C.Robinson 3-9 3-4 9, Drexler 8-25 7-8 22, Porter 3-6 7-11 13, Cooper 2-5 0-2 4, Young 2-5 4-4 10, Bryant 3-4 0-0 6, Petrovic 0-3 0-0 0. Totals 38-90 29-45 107.

3-Point goals—San Antonio 0-2 (Strickland 0-1, Anderson 0-1), Portland 2-7 (Young 2-4, Drexler 0-1, Porter 0-1, Petrovic 0-1). Fouled out—None. Rebounds—San Antonio 51 (D.Robinson 9), Portland 60 (Kersey 16). Assists—San Antonio 27 (Strickland 9), Portland 31 (Drexler 11). Total fouls—San Antonio 27, Portland 20. Technicals—D.Robinson, Portland delay of game, Kersey, Anderson. A—12,884.

Portland leads series, 1-0

TENNIS

MEN'S TOURNAMENTS

(In Madrid)

Quarterfinals

Javier Sanchez Vicario, Spain, def. Juan Carlos Baguena, Spain, 6-3, 6-1; Andres Gomez (2), Ecuador, def. Marc Koevermans, Netherlands, 7-5, 3-6, 6-3; Marc Rosset, Switzerland, def. Marcos Gorriz, Spain, 6-2, 3-6, 7-5; Martin Jaite, Argentina, def. Alberto Mancini, Argentina, 6-3, 3-6, 6-2.

Semifinals

Gomez def. Jaite, 6-3, 6-4; Rosset def. Vicario, 7-5, 2-6, 6-2.

Final

Gomez def. Rosset 6-3, 7-6 (7-3).

(In Munich)

Quarterfinals

Jonas Svensson, Sweden, def. Jim Courier (4), U.S., 3-6, 6-3, 6-4; Thomas Muster, Austria, def. Martin Strelba, Czechoslovakia, 4-3, ret.; Petr Korda, Czechoslovakia, def. Jens Woehrmann, West Germany, 6-3, 7-5; Karel Novacek, Czechoslovakia, def. Christian Bergstroem, Sweden, 6-1, 6-1.

Semifinals

Muster def. Korda, 6-3, 6-1; Novacek, def. Svensson, 6-1, 2-6, 6-1.

Final

Novacek def. Muster, 6-4, 6-2.

(In Singapore)

Semifinals

Kelly Jones, U.S., def. Jan Siemerink, Netherlands, 6-1, 6-4; Richard Fromberg, Australia, def. Dan Goldie, U.S., 6-4, 7-6 (7-5).

Final

Jones def. Fromberg, 6-4, 2-6, 7-6.

WOMEN'S TOURNAMENT

(In Hamburg)

Quarterfinals

Steffi Graf (1), West Germany, def. Helena Sukova (5), Czechoslovakia, 6-1, 6-2; Martina Navratilova (2), U.S., def. Leila Meskhi (11), Soviet Union, 6-3, 6-1; Judith Wiesner (8), Austria, def. Petra Langrova, Czechoslovakia, 6-3, 6-1; Arantxa Sanchez Vicario (3), Spain, def. Nicole Jagerman, Netherlands, 6-3, 6-0.

Semifinals

Sanchez Vicario def. Navratilova, 6-1, 6-7 (3-7), 6-2; Graf def. Wiesner 6-4, 6-2.

Final

Graf def. Sanchez Vicario, 5-7, 6-0, 6-1.

Davis Cup

Asia-Oceania Zone, Group I

Second Round

At Beijing

China 4, Indonesia 1: Xia Jiaping def. Daniel Heryanto, 3-6, 6-3, 7-5, 2-6, 6-3; Pan Bing def. Suharyadi, 3-6, 3-6, 6-4, 6-1, 6-3; Bonit Wiryawan and Heryanto, Indonesia, def. Liu Shuhua and Pan Bing, 2-6, 6-4, 7-6 (7-5), 3-6, 6-4; Pan Bing def. Heryanto, 6-3, 6-1, 6-2; Xia Jiaping def. Suharyadi, 7-5, 6-0.

At Seoul

South Korea 5, India 0: Kim Bong-soo def. Srinivasan Vasudevan, 6-7 (4-7), 3-6, 6-4, 6-0, 7-5; Kim Jae-sik def. Zeeshan Ali, 6-3, 6-2, 6-4; Yoo Jin-Sun and Bae Nam-Ju def. Ali and Leander Paes, 2-6, 6-0, 6-1, 3-6, 9-7; Kim Jae-Sik def. Rohit Rajpal, 6-1, 6-2; Kim Bong-Soo def. Paes 7-6 (7-4), 6-0.

Euro-African Zone, Group I, Zone A

Second Round

At Bucharest, Romania

Britain 3, Romania 2: Danny Sapsford, Britain, def. George Cosac, 4-6, 6-1, 6-2, 6-3; Florin Segarceanu, Romania, def. Jeremy Bates, 7-5, 6-1, 6-1; Bates and Andrew Castle def. Segarceanu and Cosac, 6-3, 6-3, 6-2; Bates def. Cosac, 3-6, 6-1, 6-2, 6-2; Segarceanu def. Sapsford, 6-3, 6-4, 6-3.

At Kiev

Soviet Union 2, Portugal 1: Nuno Marques, Portugal, def. Andrei Cherkasov, 6-7, 2-6, 6-2, 6-3, 6-4; Andrei Chesnokov def. Joao Cuna Da Silva, 6-3, 6-2, 7-5; Andrei Olkhovski and Dmitri Poliakov def. Marques and Cuna Da Silva, 7-6, 6-3, 7-6.

At Aarhus, Denmark

Finland 3, Denmark 2: Aki Rahunen, Finland, def. Morten Christensen, 7-5, 7-6 (7-4), 6-3; Michael Tauson, Denmark, def. Veli Paloheimo, 6-1, 7-5, 3-6, 4-6, 6-3; Paloheimo and Olli Rahnasto def. Tauson and Michael Mortensen, 6-4, 6-4, 6-4; Paloheimo def. Christensen, 1-6, 4-6, 6-3, 7-5, 6-4; Tauson def. Rahunen, 6-3, 6-2.

At Brussels

Belgium 4, Hungary 1: Eduardo Masso def. Sandor Noszaly, 6-7 (4-7), 6-2, 6-4, 7-6 (7-2); Bart Wuyts def. Andras Lanyi, 6-1, 6-1, 6-2; Lanyi and Laszlo Markovits, Hungary, def. Xavier Dautresne and Denis Langaskens, 6-4, 6-3, 4-6, 7-6 (7-3); Masso def. Lanyi, 6-2, 4-6, 7-5, 6-3; Wuyts def. Noszaly, 6-1, 6-1.

Relegation Playoff

At Accra, Ghana

Ireland 2, Ghana 0: Peter Wright def. Ken Dowuona, 6-4, 6-7, 6-3, 6-1; Eoin Collins def. Frank Ofori, 7-6, 7-6, 3-6, 6-3; Wright and Collins vs. Dowuona and Ofori, 1-6, 5-7, 6-2, 6-2, ppd due to rain.

European Zone, Group II

Second Round

At Monaco

Norway 4, Monaco 1: Anders Havoseth def. Jerome Seguin, 6-7 (1-7), 6-3, 6-4, 3-6, 6-2; Christian Ruud def. Gilles Ganancia, 7-5, 3-6, 6-2, 6-2; Henning Weld and Anders Raffasen def. Christophe Boggetti and Jacques Vincilemi, 6-4, 6-7 (4-7), 5-7, 6-2, 6-0; Ruud def. Seguin, 6-4, 4-6, 7-5; Ganancia, Monaco, def. Havoseth, 6-0, 7-5.

At Sofia, Bulgaria

Bulgaria 5, Greece 0: Milen Velev def. Giorgos Kalovelonis, 6-3, 6-4, 6-0; Ivan Keskinov def. Kostas Efraimoglou, 6-3, 7-5, 6-1; Velev and Stefan Tsvetkov def. Kalovelonis and Ionis Rigas, 5-7, 1-6, 6-2, 6-1, 6-3; Velev def. Konstantinos Evremoglu, 6-2, 7-5; Keskinov def. Kalovelonis, 6-2, 6-3.

At Luxembourg

Poland 4, Luxembourg 1: Tomasz Iwanski def. Jacques Radoux, 6-7 (11-13), 6-3, 7-6 (7-3), 4-6, 6-3; Wojciech Kowalski def. Johnny Goudenbour, 6-3, 6-4, 6-2; Goudenbour and Radoux, Luxembourg, def. Kowalski and Lech Sidor, 6-4, 7-6 (7-4), 6-1; Kowalski def. Radoux, 6-1, 6-4, 6-3; Iwanski def. Goudenbour, 7-5, 6-4.

At Izmir, Turkey

Turkey 3, Malta 2: Alaattin Karagoz, Turkey, def. Gordon Asciak, 6-0, 6-1, 6-4; Christopher Gatt, Malta, def. Mert Ertunga, 7-5, 6-3, 6-0; Asciak and Gatt def. Karagoz and Ertunga, 6-4, 6-4, 5-7, 6-4; Karagoz def. Gatt, 6-7, 7-6, 6-4, 6-4, 7-6; Ertunga def. Asciak, 5-7, 6-1, 3-6, 6-3, 6-1.

CYCLING

Tour of Spain

Results Sunday of the 119.6-mile (193-kilometer) 13th leg from Oviedo to Santander:

1. Nico Emonds, Belgium, 4 hours, 21 minutes, 27 seconds; 2. Laurent Jalabert, France, 3 minutes behind; 3. Andrei Chmile, Soviet Union, 4. Dirk De Wolf, Belgium, 5. Jesus Montoya, Spain, all same time.

Results Saturday of the 94.7-mile 12th leg from San Isidro to Alto del Naranco:

1. Alberto Camargo, Colombia, 3 hours, 56 minutes, 18 seconds; 2. Martin Farfan, Colombia, 1:25; 3. Josef Holzmann, West Germany, 1:27 behind; 4. Javier Luquin, Spain, 1:43 behind; 5. Luis Perez, Spain, 1:51 behind.

Overall Standings

1. Marco Giovannetti, Italy, 58 hours, 51 minutes, 19 seconds; 2. Julio Cesar Cadena, Colombia, 41 seconds behind; 3. Anselmo Fuerte, Spain, 1:58 behind; 4. Inaki Gaston, Spain, 2:31 behind; 5. Miguel Indurain, Spain, 2:47 behind; 6. Pedro Delgado, Spain, 2:51 behind; 7. Fabio Parra, Colombia, 3:13 behind; 8. Pedro Ruiz Cabestany, Spain, 3:16 behind; 9. Alvaro Pino, Spain, 3:39 behind; 10. Farfan, 3:46 behind.

Tour de Trump

Results Friday of 28.9-mile Baltimore Criterium:

1. Olaf Ludwig, East Germany, Panasonic-Sportlife, 59 minutes, 44 seconds; 2. Steve Bauer, Canada, 7-Eleven, same time; 3. Nico Verhoeven, Holland, PDM, s.t.; 4. Bob Mionske, U.S., USA National Team, s.t.; 5. Alex Dorper, West Germany, amateur, s.t.

First Stage

1. Olaf Ludwig, East Germany, Panasonic-Sportlife, 3 hours, 50 minutes, 19 seconds; 2. Davis Phinney, U.S., 7-Eleven, same time; 3. Michael Zanoli, U.S., Coors-Light, s.t.; 4. Christian Henn, West Germany, Carrera, s.t.; 5. Alex Dorper, West Germany, amateur, s.t.

Results Saturday of third stage, 97.7 miles from Fredericksburg to Richmond:

1. Viatcheslav Bobrik, Soviet Union, amateur, 3 hours, 50 minutes, 11 seconds; 2. Mike McCarthy, U.S., USA National Amateur Team, 3:50:53; 3. Thierry Bock, Belgium, Lotto-Superclub, 3:50:57; 4. Michael Zanoli, U.S., Coors Light, 3:53:14; 5. Bob Mionske, U.S., USA National Amateur Team, s.t.

Fourth Stage, 39.2 miles, Richmond team time trial:

1. 7-Eleven (United States), 1:15:10; 2. PDM (Holland), 1:16:02; 3. Panasonic-Sportlife (Holland), 1:16:06; 4. Z-Kickers (France), 1:16:24; 5. Soviet Union (Amateur), 1:16:48.

Overall Standings

1. Viatcheslav Bobrik, Soviet Union, amateur, 8:46:36; 2. Thierry Bock, Belgium, Lotto-Superclub, 1:19 behind; 3. Olaf Ludwig, East Germany, Panasonic-Sportlife, 2:56 behind; 4. Steve Bauer, Canada, 7-Eleven, 2:59 behind; (tie) Raul Alcala, Mexico, PDM, 2:59 behind.

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Chilean Wine Trail

By Frank J. Prial
New York Times Service

SANTIAGO — The highway runs from Santiago toward Punta Arenas and, yes, the South Pole, but we weren't going that far, my leathery-faced driver and I. We were turning right near San Fernando, about three hours south of the capital, and heading into the Colchagua Valley to Peralillo.

It was the fourth day of a week-long trip through what is probably the most exciting wine region in the world right now. As a wine-making country, Chile has a lot — some might say everything — going for it: a near-perfect climate, low land and production costs, a long wine-making tradition, the complete absence of phylloxera, the aphid that can be fatal to vines elsewhere, and South America's only stable, export-oriented economy.

For the last six years, Chile has been busy capitalizing on these assets in an effort to become one of the world's important wine producing nations.

Our first stop had been the Errazuriz Panquehue winery, north of Santiago in the Aconcagua Valley, where Augustin Huneeus, a Chilean who is president of Franciscan Vineyards in California, has an important financial interest.

Then came Concha y Toro, by far the largest wine company in Chile, with 10 different wineries and vineyards spread through hundreds of miles of the fertile valleys of central Chile.

Last on this brief list, the place we were heading, was Viña los Vascos — Vineyard of the Basques — which has attracted considerable attention among wine lovers because it is half-owned by the owners of Château Lafite-Rothschild in Bordeaux.

□

Errazuriz Panquehue was founded near the beginning of the 19th century by Don Maximiliano Errazuriz, one of the first growers to plant French vinifera vines in Chile. The winery and its vineyards are relatively far north and thus, since this is the Southern Hemisphere, in one of the warmer growing regions. Each afternoon, however, the wind from the sea snakes through the mountains to cool the vines.

Errazuriz Panquehue is under the day-to-day direction of Eduardo Chadwick, the 30-year-old president who is a direct descendant of Don Maximiliano. He and his equally young staff work closely with the team from Franciscan in the Napa Valley and, in fact, have produced a line of wines, Caliterra, specifically for the American market.

The Caliterra line includes a cabernet made from grapes grown in the Maipo Valley south of Santiago, and both a chardonnay and a sauvignon blanc from a cooler new region nearly 200 miles south in Curicó. The principal gem in the Errazuriz Panquehue diadem is the Don Maximiliano cabernet, made from grapes from the home vineyard.

Concha y Toro, founded in 1883 by Don Melchor de Concha y Toro, today is controlled by the Guilisasti family with a considerable interest held by several American banks.

For most of its life, Concha y Toro has concentrated on inexpensive wine. Its production is impressive: a projected 45 million liters or 5 million cases in 1990, more than double its 1988 production. Even so, as the mass market has begun to slow down in Chile and elsewhere in the world, the company has moved resolutely into fine wines, especially for export.

Its showcase vineyards are at Pirque, 30 minutes southeast of Santiago, but there are other plantings all over central Chile, including some experimental vineyards hundreds of miles to the south in cooler regions.

While much of that acreage is planted in common varieties for cheap wine, Concha y Toro makes almost all of the classic Bordeaux varieties, plus chardonnay, gewürztraminer and riesling. Its best-known premium wine is a cabernet sauvignon called Casillero del Diablo.

□

Los Vascos is far smaller than Concha y Toro but its history is much longer. The resident owners of Los Vascos are Jorge Eyzaguirre and his wife, Maria Ignacia Echenique, both of Basque ancestry.

The Echenique family have grown fruit in the Colchagua area since 1755, but the Eyzaguirre family acquired what is now Los Vascos only in the mid-1970s, when the government of General Augusto Pinochet divested itself of lands appropriated by the state in the presidency of Salvador Allende Gossens, who was deposed in 1973.

Eyzaguirre realized that he had acquired a dilapidated, obsolete winery that would require major investment and expertise to bring back into production. But in 1988, Eric de Rothschild, who was managing Lafite-Rothschild for the family group, Domaines des Barons Rothschild, bought 50 percent of the winery.

Since then, the winery has been transformed. The first of two new buildings is up, and new fermenters, new presses and, most important, new French oak barrels for aging the red wines, have been installed.

While these three are among the outstanding Chilean wineries, they are hardly the only outstanding ones among Chile's hundreds of wineries.

Coming Up From the Métro

By Mike Zwerin
International Herald Tribune

PARIS — The sun is out, the tables are on the sidewalks. The franc is strong. Foreigners are buying French securities. The trains run on time. Tourists are flocking (or whatever tourists do). Exciting new architecture is everywhere. All this good news is grotesque. Whatever happened to the country with more than 300 cheeses that Charles de Gaulle said was impossible to govern? Inflation is in check. The trade deficit is shrinking. French rock is booming. French rock?!

French rock used to be a joke, like Jelly Roll Menshikov inventing jazz in Odessa. Let's be objective. People who leave New York want to believe that whatever they *find important is really happening* wherever they moved to. Having left, I bear this in mind. Still, the case is strong — today's most happening rock scene is in Paris.

During the '80s, Paris became the acknowledged capital of "World Music," a fusion of ethnic cultures, mostly African, with the blues and technology. This increasingly popular and sophisticated marriage spawned a bubbling atmosphere that helped lead to an explosion of homegrown product.

After the Gipsy Kings (who are not a rock band but swing with guitars nevertheless) and Les Négresses Vertes, Mano Negra is the *current hot group. Probably the* best and most original of them all, they play traditional and electric instruments and shout their upbeat repertoire in English, French, Franglais, Arabic and Spanish. Their records sell well in Spain, Italy, Holland, Britain and the United States. They've toured such faraway places as Peru.

They tore down the language barrier by just deciding it shouldn't be there. Calling them "energetic" is a truism, like "is the pope Polish?" Their video clip "Mala Vida" comes on like the Marx Brothers and Tex Avery spliced with Federico Fellini on fast-forward. Leader, singer and songwriter Manu Chao was born in France of Spanish parents. His first language was Spanish, he went to French schools. He doesn't know if he's Spanish or French and doesn't much care. In any case, "We're not a French band. We were born in France, so what? Everything's all mixed together now.

"Because of all our influences," says Chao, "we're put in that category. World Music sells records. But something's wrong. I can feel it. It's becoming another show-biz hype, just one more corridor. It used to be an escape from corridors. Rock is made up of narrow corridors — punk, ska, punkabilly, skabilly. The names are absurd, but I like *all* that stuff, whatever you call it. I used to have to be in four bands to play it all. One day, I just decided to make a band where every music is welcome.

"People seem to have to give names to things so we call our music 'patchanka.' The word is taken from Spanish village fiesta music called 'patchanga,' which means sort of 'cheap music.' We like that name. We don't pretend to be Mozart. We play for fun."

Today's French rock is a Post-Colonial Francophonic rainbow coagulation. Rather than a transplantation of known elements from the Third World, it's something new coming up from the Métro. Most of the players are self-taught children of immigrant parents. The Ministry of Culture has hired 27-year-old Bruno Lion (a.k.a. "Monsieur Rock"), who wears leather and avoids early morning appointments, to encourage them to make exportable music rather than deal dope. "In the beginning, rock wasn't French," he admits. "But opera used to be strictly Italian. Today both are world art forms."

Financed by the Ministry of Culture and private contributions from the music industry, a promotion and lobbying organization called FORME (French Office for Recorded Music and Entertainment) is opening near Times Square in July. FORME director Christian Dalbavie has *worked in the recording industry* in New York for 10 years: "We want to put French bands together with the right business people and generate press coverage. In the States, you have to be businesslike. We'll be an American commercial venture that understands American psychology."

Taking care of business in Paris last month, Dalbavie was a very "up" young man with more good news: "The French culture budget has quadrupled since 1981. The value added tax on recordings has come down from 33.3 percent to 18.6 percent. People are buying records. The record industry is growing at a rate of 30 percent a year. Advertising on the new private radio and TV stations is creating pools of money. So the local market has become more autonomous, there's seed money to invest in new talent. Then there's 'Europe, 1992.' 'Europe' is the magic word. Something is happening here. French rock has a shot, Americans are curious. Not much is happening over there."

Manu Chao was in a small studio on a cul-de-sac dwarfed by urban renewal where Mano Negra was shooting their next video clip. Wearing an "I don't believe what's happening to me" expression, he spoke double-time colloquial American between takes. A bottle of cognac that appeared on the table as if by magic helped the 11 A.M. conversation. "We're not real good musicians," he said, pouring. "And we're not doing anything new. We steal things from everybody, we put them together in a new way. We do it with soul and joy. We're really happy to be doing what we're doing. Hell, last year half of us were busking in the subway to get money to live. From the subway to the most popular band in France in one year — hey, man, that's heavy."

Manu Chao (front) and his Mano Negra band.

When a rock band begins to make it, business courts the money-machine. *Chao felt the pressure.* He did not know about contracts, about publishing, about managers. Every manager in France wanted Mano Negra. He felt lost — until he met one who said: "No, I'm not strong enough for you. I'm not up to it. This job is not really for me." Without hesitation, Chao said: "O.K., you're our manager."

There was pressure to appear on those garish television variety shows that budding stars are told they absolutely must do in order to sell records. Chao decided to avoid them all: "I'm a good leader, I trust my instincts. We know nothing about cameras, I felt our image could be too easily manipulated. We won't do TV until we learn about cameras. And we're learning fast. Like *today.*

"A good band is not just good musicians. I'm known in the industry, I've been around. I could have found 'better' musicians. But I wanted the right ones, not the good ones. You can learn to be better, you can't learn to be 'right.' Hey, I'm sure of this band, I'm proud of it. I fell in love with these guys when I met them in the subway. I said, 'O.K., I'm leaving all my other bands to play with you.' American people appreciate us because, well, even though they can't understand our lyrics they see 10 people on stage having fun. Sometimes we aren't so much in tune, but too much 'professionalism' can kill a band.

"Routine is the enemy. We take chances. Once you start feeling too secure you're in trouble. Some nights I give a signal, we call it a 'key.' It means, 'Forget the arrangement. Let's go for it.'"

Mary Blume is on a leave of absence.

LANGUAGE

Laying Down a Marker

By William Safire

WASHINGTON — "These politicians want Bush to *lay down a marker* for all the world to see," wrote the columnists Evans and Novak, "no matter how much discomfort it brings Gorbachev and his trading pals in Bonn."

The former president, Jimmy Carter, just before the upset victory of the anti-Sandinistas in Nicaragua, dismissed as highly exaggerated the complaints of the forces of Violeta Chamorro about Sandinista campaign practices. Carter characterized this as "laying *down a marker* so if they do lose they can say, 'Well, there were some irregularities.'"

What is this *marker* that political figures are said to *lay down?* We have here a clash of slang meanings that cries out for clarification.

A *marker,* to a gambler, *is* an IOU (which is a speedy way of writing "I owe you").

The gambler's definition of *marker* as "promissory note" appeared first in 1887, but was popularized in Damon Runyon's "Guys and Dolls" in 1932: "Now I am going to pay my landlady, and take up a *few markers* here and there, and feed myself up good." A 1934 film based on a Runyon tale about a little girl used as an IOU was titled "Little Miss Marker."

This sense — rooted in a mark made on a piece of paper to signify a debt, probably influenced by the scorecard in bridge and whist — has been extended beyond the promise of money payment.

Sidney Zion's new novel, "Markers," deals with promises, loyalties and favors owed in a power network. In his blurb for the book, Frank Sinatra writes, "This book gives Sid Zion a royal-flush marker against all those people who thought they knew everything."

I think Sinatra means *marker* there in the sense of "weapon" or "asset" and would appreciate hearing from him if I am mistaken.

A wholly different line of slang meanings exists. This is rooted in marking a boundary. "You are to employ . . . an assistant surveyor . . . and also proper chainbearers and markers," reads a 1743 New Jersey document.

A *marker* is not only a person who marks boundaries, but also a stone used to mark that demarcation line. The military uses dyes and colored powders to mark targets or boundaries.

That military use may be the root of the political phrase *lay down a marker.* It issues a warning, or sets off territory that may not be challenged. It is akin to *draw a line in the sand,* but not as bellicose as *put a chip on your shoulder.*

In 1970, "You left your calling card" was the way Yitzhak Rabin, then Israel's ambassador to the United States, characterized an unsuccessful American attempt to rescue POWs in North Vietnam.

In political usage today, *lay down a marker* ranges in meaning from "send a signal" to "announce a presence" to "issue a warning of 'this far, no farther.'"

□

In the Jan. 29 issue of Time, William A. Henry 3d was among the first to note "the spread of a phenomenon known as *'outing,'* the intentional exposure of secret gays by other gays."

The language is dexterous in giving sinister meanings to familiar words. *Outing* comes from "coming out of the closet," which has meant the public assertion of previously secret homosexuality.

"*Outing* we used to call 'telling on,'" writes an anonymous Irregular, "and *an outing* was what the family took in the car on weekends."

We are witnessing the birth of new meaning to a gerund. *Outing,* as a noun, has meant "excursion," from "going out"; now it also means "exposure," from "forcing out."

□

The television reporter Robert MacNeil asked Vernon A. Walters, the U.S. ambassador to West Germany, about a diplomatic anomaly, concluding with "Don't you feel *conflicted* about that?" The ambassador — an accomplished linguist — replied promptly, "Yes, of course I do."

"One can be *afflicted,*" writes Phil Chimento of Durham, North Carolina, "but one cannot be *conflicted* because *conflict* is intransitive. . . . Kindly scold Mr. MacNeil for his solecism."

Because it follows a linking verb ("feel"), *conflicted in this case is* a predicate adjective — a past participle used as an adjective after a linking verb — and is not a verb. For that reason alone, MacNeil is not in error; however, *conflicted* is an interesting bit of psychojargon.

"*Conflicted* as a verb is fairly recent," notes Ellen McGrath, a New York psychotherapist. "*It's an* active verb to describe an ongoing emotional experience. Therapists have to work on resolving what *conflicts* the patient."

To be *conflicted,* then, is to be under the stress of influences that ing in opposite directions. The term is too much in vogue; a better old word *is troubled,* with its synonyms "worried, upset, concerned."

If you prefer to wow your friends with highfalutin language, try "Doesn't that give you *cognitive dissonance?*"

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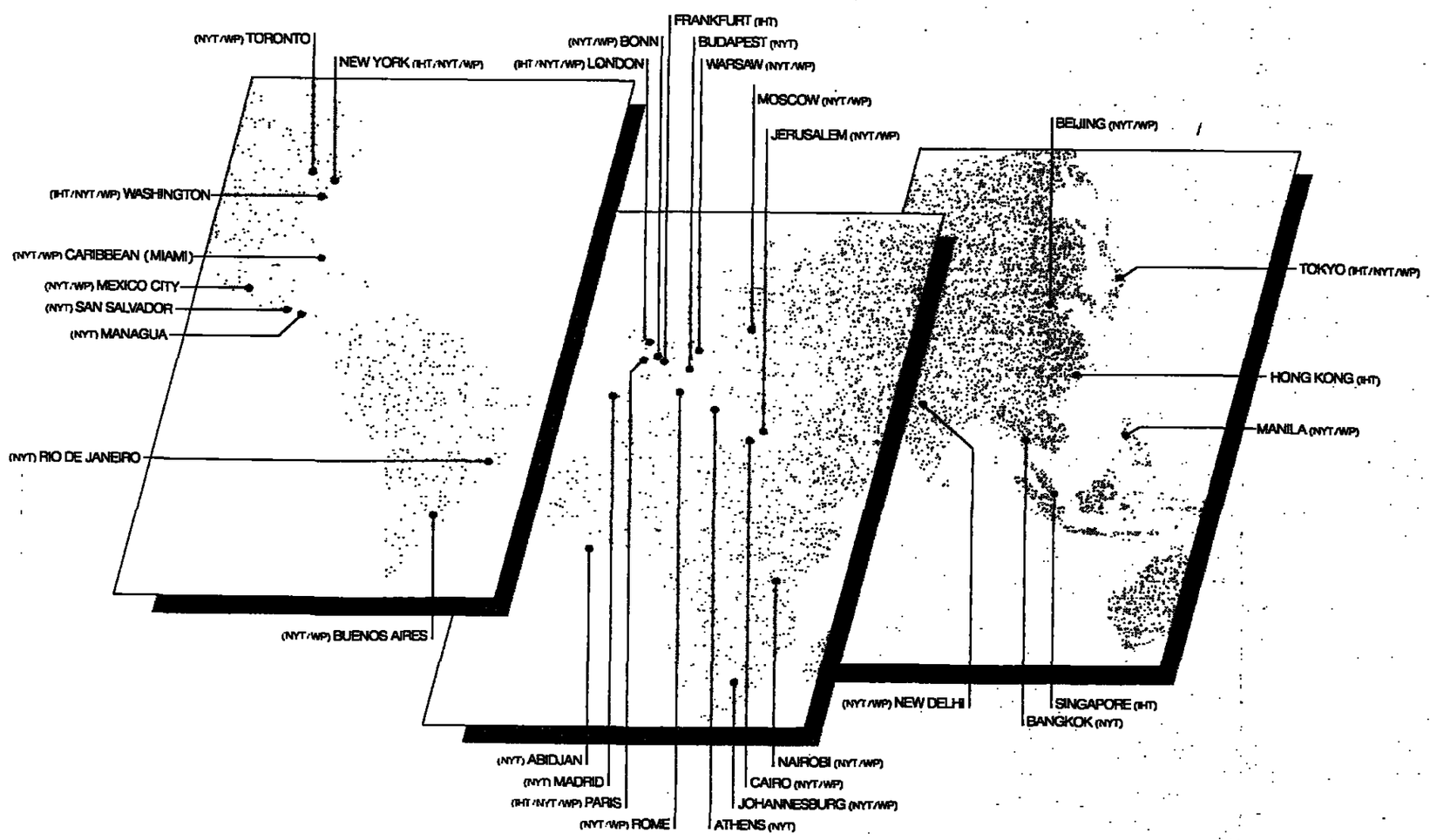

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